



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

for the year ended March 2020



लोकहितार्थसत्यनिष्ठा

Dedicated to Truth in Public Interest



**Government of Tamil Nadu
Report No. 4 of 2021**

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of the
Comptroller and Auditor General of India**

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Government of Tamil Nadu

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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 2020.

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 2015-16 to 2019-20, 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 2015-20. The revenue deficit increased by 199.62 per cent during the five-year period, from ₹ 11,985 crore in 2015-16 to ₹ 35,909 crore in 2019-20. However, the deficit has to be viewed in the light of non-settlement of State Goods and Services Tax (SGST) refund by the State Government, non-contribution to the required Reserve Funds, misclassification of revenue items under capital category, etc. Incorporating these would have resulted in the increase of Revenue Deficit by ₹ 1,008 crore during the year.*

*Though, the State was successful in containing the **Fiscal Deficit** below three per cent of GSDP in four out of the last five years, in the current year the State failed in containing the fiscal deficit below three per cent. The ratio during 2019-20 was **3.26 per cent**. The fiscal deficit grew by 27.13 per cent over the previous year and stood at ₹ 60,179 crore during the current year.*

*The **outstanding fiscal liabilities** had increased by 14.92 per cent from ₹ 3,68,736 crore as at the end of 2018-19 to ₹ 4,23,743 crore at the end of 2019-20.*

During the five-year period 2015-20, the ratio of outstanding debt of the State to GSDP remained between 18.96 and 22.96, which was consistently below the norm of 25.20 per cent of GSDP prescribed by the TNFR Act, 2003 amended from time to time.

(Paragraphs 1.5, 1.6.1, 1.6.2)

Finances of the State

*The State Government registered only a meagre increase of 0.45 per cent in its **Revenue Receipts** (₹ 1,74,526 crore) during 2019-20 compared to the previous year (₹ 1,73,741 crore).*

(Paragraph 2.1)

The annual growth rate of own tax revenue during 2019-20 stood at 1.83 per cent, which was less than the average growth rate (2.12 per cent) of the General Category States (GCS).

(Paragraph 2.3.2.2)

There has been a significant decrease in non-tax revenue and the buoyancy of the State's own revenue was also lower than the preceding four years.

(Paragraph 2.3.2.1)

The non-tax revenue of the State decreased by ₹ 1,312 crore in 2019-20 over the previous year. As a proportion of the State's own resources, the non-tax revenue which stood at 11.86 per cent in 2018-19 decreased to 10.71 per cent in 2019-20.

(Paragraph 2.3.2.2)

Of the **total expenditure** of ₹ 2,40,089 crore during 2019-20, revenue expenditure (₹ 2,10,435 crore), capital expenditure (₹ 25,632 crore) and Loans and advances (₹ 4,022 crore) accounted for 87.65 per cent, 10.68 per cent and 1.67 per cent respectively.

(Paragraph 2.4.1)

The **committed expenditure** (₹ 1,16,194 crore) is on an increasing trend and stood at 66.57 per cent of the total revenue receipts (₹ 1,74,526 crore) of the State during 2019-20, as against 62.12 per cent during 2018-19, thereby leaving lesser funds towards other social and economic activities.

(Paragraph 2.4.2.2)

The State Government, even after a lapse of 16 years from the inception of the New Pension Scheme viz., **Defined Contributory Pension Scheme** (DCPS), has not designated a Fund Manager. During the year 2019-20, the employees' and the Government's contributions towards DCPS were ₹ 2,619.01 crore and ₹ 2,597.55 crore respectively indicating a shortfall in Government's contribution by ₹ 21.46 crore.

(Paragraph 2.4.2.3)

Subsidies consumed 11.54 per cent of State's revenue receipts. The expenditure on subsidies increased by 6.46 per cent from ₹ 18,922 crore during 2018-19 to ₹ 20,144 crore in 2019-20.

Implicit subsidies in the form of marriage assistance, maternity assistance, free supply of laptop, uniform, etc., was on a decreasing trend from 2015-16 to 2018-19 (from ₹ 6,156 crore to ₹ 4,198 crore), but again increased by ₹ 628 crore during 2019-20.

(Paragraph 2.4.2.4)

Government **invested** ₹ 39,866 crore (up to March 2020) in the share capital of statutory corporations, joint stock companies and co-operatives.

The average rate of return, increased marginally from 0.37 per cent in 2018-19 to 0.40 per cent during the current year. **The return on investment** was meagre compared to Government's average rate of borrowing of 8.07 per cent during the year.

(Paragraph 2.4.3.2)

The **burden of interest** payments (interest payments/revenue receipts) increased from 16.55 per cent in 2018-19 to 18.32 per cent in 2019-20.

Out of the total borrowings of ₹ 66,774 crore, **net debt available** to the Government was only ₹ 22,218 crore due to repayment of ₹ 17,866 crore and interest payments of ₹ 26,690 crore. The net debt available was 33.27 per cent of the total borrowings during 2019-20.

(Paragraphs 2.7, 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.

Under 23 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 3.3.6.3)

Supplementary provisions of ₹ 50 lakh or more in each case aggregating ₹ 980.26 crore obtained in 86 cases, during the year 2019-20 proved unnecessary as the original provisions itself was not exhausted.

(Paragraph 3.3.4)

In respect of 30 cases, a total expenditure of ₹ 130.71 crore was incurred without the authority of law, wherein no provision was made either in the Original or Supplementary estimates or provision made was withdrawn through re-appropriation. In 14 cases, a total expenditure of ₹ 1.80 crore was incurred without appropriation by the Legislature either in the Original or Supplementary estimates

(Paragraph 3.3.1).

Surrenders to the tune of ₹ 16,216.52 crore (5.62 per cent of the total provision) were made on 22 March 2020 in 3,374 cases and ₹ 11,325.92 crore (3.93 per cent of the total provision) on 31 March 2020 in 3,689 cases. Out of ₹ 11,325.92 crore surrendered on the last day (31 March 2020), 88 cases amounting to ₹ 10,311.98 crore were in excess of over ₹ 10 crore, indicating inadequate financial control.

(Paragraph 3.3.6.2)

During the year, excess disbursements over grants/appropriations were made for ₹ 942 crore. This expenditure needs to be regularised. Besides, excess expenditure of ₹ 2,657.67 crore relating to 2012-19 was yet to be regularised.

(Paragraph 3.3.7)

An amount of ₹ 3,708.88 crore under 92 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 2020 indicating rush of expenditure which is against the provisions of Article 39 of the Tamil Nadu Financial Code.

(Paragraph 3.4.2)

Quality of Accounts & Financial Reporting Practices

There was a sizeable net difference (₹ 1,144.16 crore) in the closing balance for the year 2019-20 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).

The failure of the State Government in taking effective measures with the RBI to collect the penalty from 2016-17 onwards for the delayed remittances of Government receipts by the agency banks to Government account, has resulted in non-remittance/evasion of penalty dues (₹ 18.21 crore) by the agency banks. This also raises a serious concern on the increase in the differences of cash balances year after year.

(Paragraph 4.1)

*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 4.2)

Withdrawals of the entire provisions (₹ 14.19 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) (₹ 469.64 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 (₹ 367.41 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)

CHAPTER – 1

OVERVIEW

CHAPTER 1

OVERVIEW

1.1 Profile of Tamil Nadu

Tamil Nadu is the 11th largest State in terms of geographical area (1,30,058 sq.km) and the seventh largest by population. As per the census, the State's population increased from 6.24 crore in 2001 to 7.21 crore in 2011, recording a decadal growth of 15.54 *per cent*. The percentage of population below the poverty line in the State is 11.3 *per cent* as compared to the all-India average of 21.9 *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

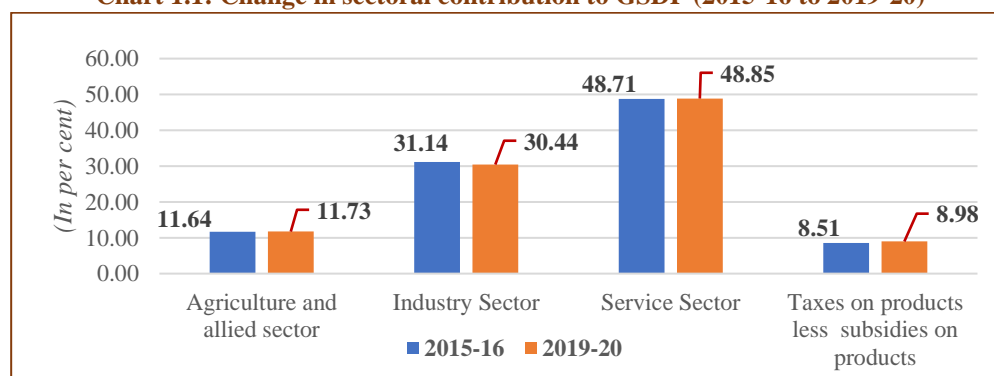
(₹ in crore)

Year	2015-16	2016-17	2017-18	2018-19	2019-20
National GDP (2011-12 Series)	1,37,71,874	1,53,91,669	1,70,98,304	1,89,71,237	2,03,39,849
India's Growth rate of GDP over previous year (in <i>per cent</i>)	10.46	11.76	11.09	10.95	7.21
State's GSDP at current prices (2011-12 Series)	11,76,500	13,02,639	14,65,051	16,30,208	18,45,853
Growth rate of State's GSDP over previous year (in <i>per cent</i>)	9.68	10.72	12.47	11.27	13.23

Source: GoI's Economic Survey (2019-20) and Department of Economics and Statistics, Central Statistics Office (CSO).

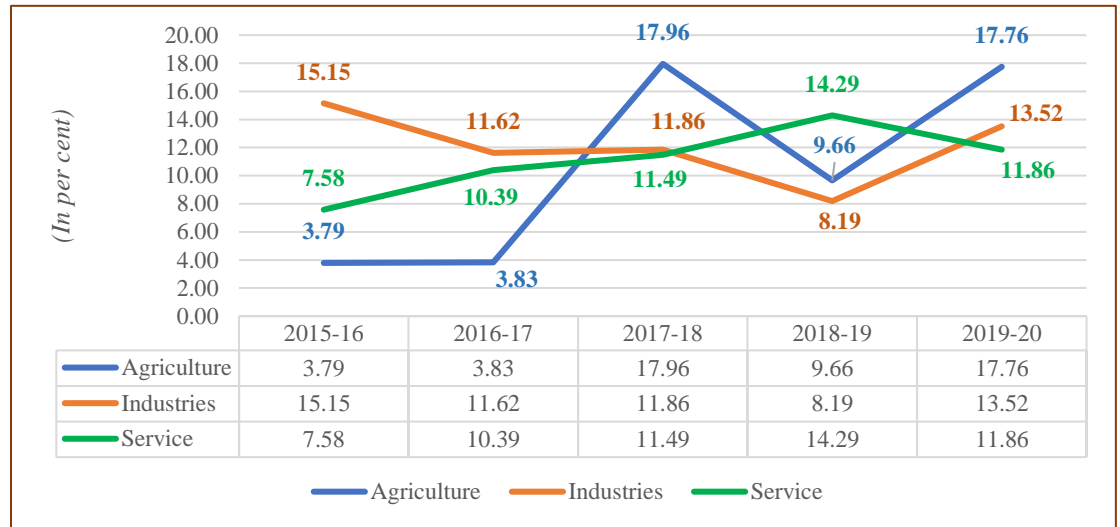
The State's growth rate of Gross Domestic Product (GSDP) in 2019-20 at current prices was 13.23 *per cent* as against India's growth rate of 7.21 *per cent*.

Chart 1.1: Change in sectoral contribution to GSDP (2015-16 to 2019-20)



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

Chart 1.2: Sectoral growth in GSDP



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

1.2 Basis and Approach to State Finances Audit Report

In terms of Article 151 (2) of the Constitution of India, the reports of the Comptroller and Auditor General of India (CAG) 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. The State Finances Audit Report (SFAR) is prepared and submitted under Article 151 (2) of the Constitution of India.

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 2019-20 constitute the core data for this report. Other sources include the following:

- Budget of the State for the year 2019-20: 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 XIV 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 25/09/2020 and the exit conference was held on 12/03/2021. Replies of the Government received in 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	<p>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.</p>
Chapter – 2	<p>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 2015-16 to 2019-20, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.</p>
Chapter – 3	<p>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.</p>
Chapter – 4	<p>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.</p>

1.4 Overview of Government Account Structure and Budgetary Processes

It is necessary to understand the structure of Government Accounts in order to appreciate the analysis of the finances of the State Government given in Chapter 2 of this report.

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**.

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)

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.

There is a constitutional requirement in India (Article 202) to present before the House or Houses of the Legislature of the State, a statement of estimated receipts and expenditures of the Government in respect of every financial year. This 'Annual Financial Statement' (AFS) constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

Revenue receipts consists of tax revenue, non-tax revenue, share of Union Taxes/ Duties, and grants from Government of India.

Revenue expenditure consists of all those expenditures of the Government which do not result in creation of physical or financial assets. It relates to those

expenses incurred for the normal functioning of the Government departments and various services, interest payments on debt incurred by the Government, and grants given to various institutions (even though some of the grants may be meant for creation of assets).

Capital receipts consist of Debt receipts and Non-debt receipts as explained below:

- **Debt receipts:** Market Loans, Bonds, Loans from financial institutions, Net transaction under Ways and Means Advances, Loans and Advances from Central Government, etc.;
- **Non-debt receipts:** Proceeds from disinvestment, Recoveries of loans and advances;

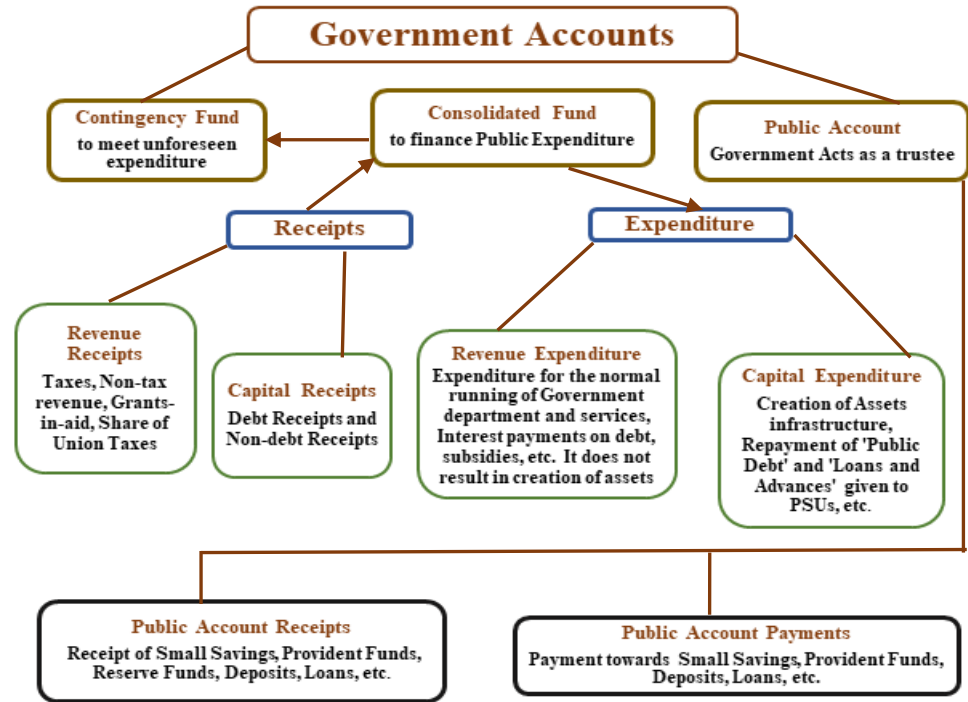
Capital expenditure includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares, and loans and advances by the Government to PSUs and other parties.

At present, we have an accounting classification system in Government that is both functional and economic.

	Attribute of transaction	Classification
Standardized in List of Major and Minor Heads (LMMH) by CGA	Function- Education, Health, etc.	Major Head under Grants (4-digit)
	Sub-Function	Sub Major head (2-digit)
	Programme	Minor Head (3-digit)
Flexibility left for States	Scheme	Sub-Head (2-digit)
	Sub scheme	Detailed Head (3-digit) - Salary, Maintenance etc.
	Economic nature/Activity	Object Head (2-digit) - Pay, Periodical maintenance, etc.

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.

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.

Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of Tamil Nadu caused to be laid (02/2019) before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year 2019-20, 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.

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 (July 2019) by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

In terms of Article 205 of the Constitution, if the amount authorized by the Appropriation Act to be expended for a particular service for the current financial year is found to be insufficient for the purposes of that year or when a need has arisen during the current financial year for supplementary or additional expenditure on some “New Service” not contemplated in the Annual Financial Statement for that year, another Statement showing the estimated amount of that expenditure shall be laid before the House of the Legislature of the State. The provisions of the Constitution relating to the Annual Financial Statement will apply to the Supplementary Statement.

During the year 2019-20, three Supplementary Statements / Estimates were laid before the Legislature of the State in July 2019, January 2020 and March 2020 and Act was passed in July 2019, February 2020 and March 2020 respectively.

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.

1.4.1 Snapshot of Finances

The following table provides the details of actual financial results *vis-à-vis* Budget Estimates (Revised) for the year 2019-20 *vis-à-vis* actual of 2018-19.

Table 1.2: Financial results *vis-à-vis* Budget Estimates (Revised) for the year 2019-20 *vis-à-vis* actual of 2018-19

(₹ in crore)

Sl. No.	Components	2018-19 Actuals	2019-20 (Budget Estimates Revised)	2019-20 Actuals	Percentage of actual to BE	Percentage of actual to GSDP ^{\$}
1	Tax Revenue	1,05,534	1,20,810	1,07,462	88.95	5.82
2	Non-Tax Revenue	14,200	14,195	12,888	90.79	0.70
3	Share of Union taxes/duties	30,639	26,392	26,393	100.00	1.43
4	Grants-in-aid and Contributions	23,368	30,464	27,783	91.20	1.51
5	Revenue Receipts (1+2+3+4)	1,73,741	1,91,861	1,74,526	90.96	9.46
6	Recovery of Loans and Advances	6,913	5,473	5,384	98.37	0.29
7	Other Receipts	--	--	--	--	--
8	Borrowings and other Liabilities ^(a)	41,829	51,708	56,399	109.07	3.06
9	Capital Receipts (6+7+8)	48,742	57,181	61,783	108.05	3.35
10	Total Receipts (5+9)	2,22,483	2,49,042	2,36,309	94.89	12.80
11	Revenue Expenditure	1,97,200	2,16,933	2,10,435	97.00	11.40
12	Interest payments	28,757	31,680	31,980	100.95	1.73
13	Capital Expenditure (14+15)	30,789	35,460	29,654	83.63	1.61
14	Capital outlay	24,311	31,221	25,632	82.10	1.39
15	Loan and advances	6,478	4,239	4,022	94.88	0.22
16	Total Expenditure (11+13)	2,27,989	2,52,393	2,40,089	95.13	13.01
17	Revenue Deficit: (5-11)	(-) 23,459	(-) 25,072	(-) 35,909	143.22	1.95
18	Fiscal Deficit {(5+6+7)-16}	(-) 47,335	(-) 55,059	(-) 60,179	109.30	3.26
19	Primary Deficit (18-12)	(-) 18,578	(-) 23,379	(-) 28,199	120.62	1.53

(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 ₹ 18,45,853 crore

(Source: Budget documents and Finance Accounts)

1.4.2 Snapshot of 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					
		2018-19	2019-20	Per cent increase			2018-19	2019-20	Per cent increase / decrease	
Consolidated Fund										
A	Internal Debt	3,04,350	3,52,625	15.86	a	Gross Capital Outlay	2,20,003	2,45,635	11.65	
B	Loans and Advances from GoI	17,292	17,925	3.66	b	Loans and Advances	41,359	39,997	(-).3.29	
C	Contingency Fund	150	150	--	c	Contingency Fund	10	--	--	
Public Account										
A	Small Savings, Provident Funds, etc.	24,110	26,475	9.81	a	Advances	8	8	--	
B	Deposits	47,352	55,475	17.15	b	Remittance	5	8	60.00	
C	Reserve Funds	8,284	9,577	15.61	c	Suspense and Miscellaneous	--	--	--	
D	Suspense and Miscellaneous	1,061	6,744	535.62	d	Cash balance (including investment in Earmarked Fund)	43,229	49,429	14.34	
Total							3,04,614	3,35,077	10.00	
							Cumulative excess of expenditure over receipts	97,985	1,33,894	36.65
Total		4,02,599	4,68,971	16.49	Total		4,02,599	4,68,971	16.49	

(Source: Finance Accounts)

Significant increase in liabilities by 16.49 per cent when compared to the previous year was mainly due to increase of market borrowings under 'Internal debt' during the year.

1.5 Fiscal Balance: Achievement of deficit and total debt targets

The Central and individual State Governments have passed 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. In this context, 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 (MFTP) for the period 2019-20.

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 2019-20 under TNFR Act, 2003. 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				
		2015-16	2016-17	2017-18	2018-19	2019-20
GSDP at current prices (₹ in crore)		11,76,500	13,02,639	14,65,051	16,30,208	18,45,853
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Eliminate Revenue Deficit by 2019-20	(-) 11,985	(-) 12,964	(-) 21,594	(-) 23,459	(-) 35,909
		X	X	X	X	X
Fiscal Deficit (-) / Surplus (+) (as percentage of GSDP)	Three per cent	(-) 32,627 (2.77)	(-) 56,170 (2.56) (4.31)*	(-) 39,840 (2.72)	(-) 47,335 (2.90)	(-) 60,179 (3.26)
		✓	✓	✓	✓	X
Total outstanding debt (₹ in crore)		2,23,030	2,83,394	3,26,518	3,68,736	4,23,743
Ratio of total outstanding debt to GSDP (in per cent)	25.20 per cent	18.96	21.76	22.29	22.62	22.96
		✓	✓	✓	✓	✓

* With UDAY Scheme

(Source: (i) TNFR Act; (ii) Budget Speech -2019-20 and (iii) Finance Accounts for the respective years - Statement 6)

- The revenue deficit increased from ₹ 11,985 crore in 2015-16 to ₹ 35,909 crore (1.95 per cent of GSDP) in 2019-20. Thus, the State could not adhere to the TNFR target of eliminating revenue deficit by 2019-20 and also failed to achieve the target proposed in the MTFP.
- Existence of revenue deficit is a cause of concern as revenue receipts were not able to meet even revenue expenditure. Moreover, part of the capital receipts was utilised to meet revenue expenditure, reducing availability of capital resources to that extent for creation of capital assets.
- The State was unable to contain the ratio of fiscal deficit to GSDP as envisioned in the TNFR Act, 2003 during 2019-20. The ratio of fiscal deficit to GSDP during the year stood at 3.26 per cent, much higher than 3.00 per cent envisaged in the TNFR Act, 2003.
- The deficit indicators show an increasing trend as the primary deficit increased by (₹ 9,621 crore) 51.79 per cent over the previous year mainly due to increase in revenue receipts by 0.45 per cent compared to increase of 6.71 per cent in revenue expenditure with only a marginal increase in the interest payments by ₹ 3,223 crore. The borrowings net of repayment was ₹ 48,908 crore and the Revenue deficit of ₹ 35,909 crore was financed by the borrowings.

In reply to these issues being raised in the exit conference, it was stated that necessary steps would be taken to reduce the revenue deficit in future. As regards the fiscal deficit, the Government accepted the fact that the ratio of fiscal deficit as a percentage of GSDP was high and stated that all efforts would be taken to keep the ratio within the prescribed limits from 2020-21.

Table 1.5: Actuals vis-à-vis projection in MTFP for 2019-20

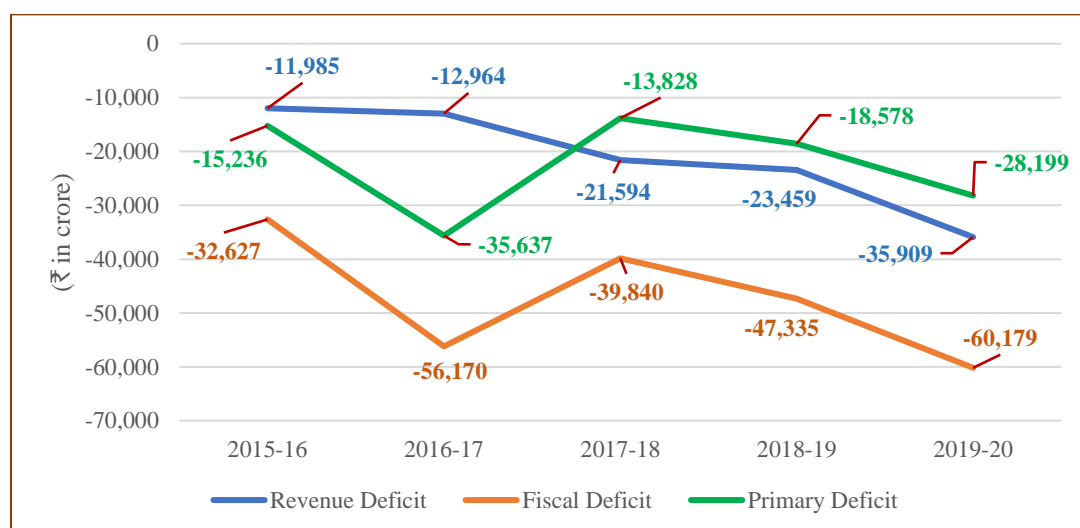
(₹ in crore)

Sl. No	Fiscal Variables	Projection as per MTFP	Actuals (2019-20)	Variation (in per cent)
1	Own Tax Revenue	1,26,098	1,07,462	(-) 14.78
2	Non-Tax Revenue	11,866	12,888	8.61
3	Share of Central Taxes	36,463	26,393	(-) 27.62
4	Grants-in-aid from GoI	22,690	27,783	22.45
5	Revenue Receipts (1+2+3+4)	1,97,117	1,74,526	(-) 11.46
6	Revenue Expenditure	2,14,321	2,10,435	(-) 1.81
7	Revenue Deficit (-)/ Surplus (+) (5-6)	(-) 17,204	(-) 35,909	108.73
8	Fiscal Deficit (-)/ Surplus (+)	(-) 48,636	(-) 60,179	23.73
9	Debt-GSDP ratio (per cent)	23.02	22.96	(-) 0.26
10	GSDP growth rate at current prices (per cent)	10.45	13.23	26.60

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

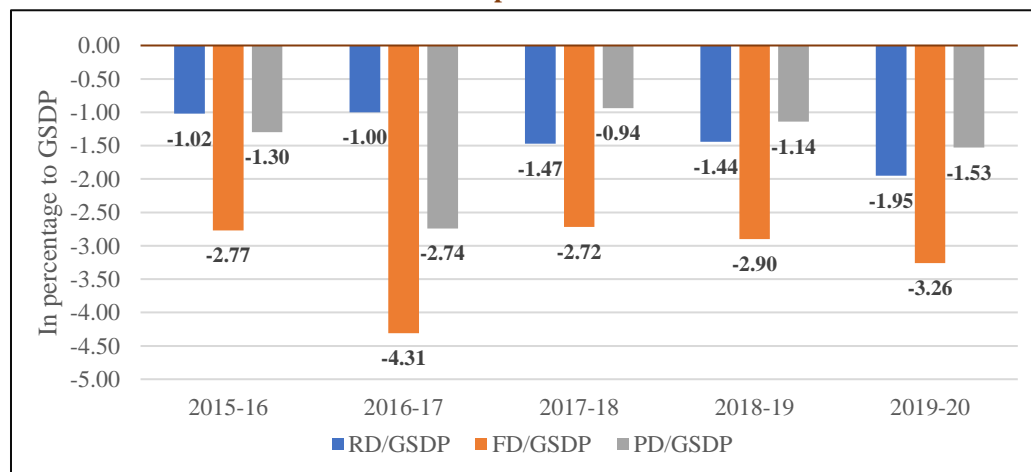
It may be seen from the table that significant drop in receipts under share of central taxes has been balanced by increase under grants-in-aid from Government of India. However, the actual increase of more than 100 per cent under revenue deficit is due to lesser Own tax revenue of the State than that anticipated in the MTFP projection for the year 2019-20.

Chart 1.3: Trends in deficit parameters



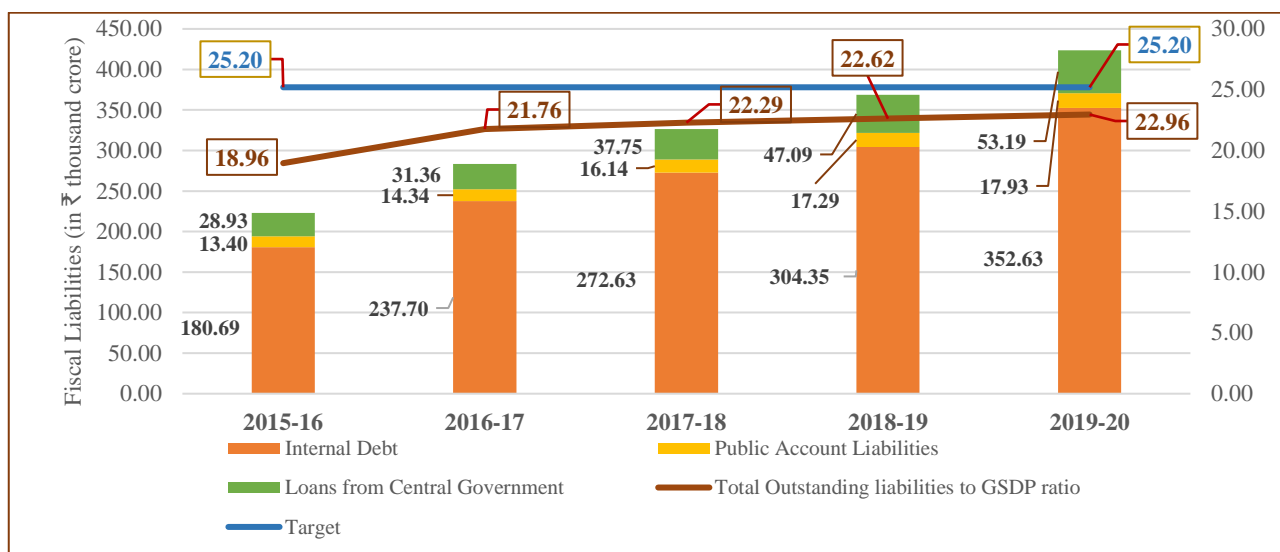
(Source: Finance Accounts for the respective years)

Chart 1.4: Trends in Surplus/Deficit relative to GSDP



(Source: Finance Accounts for the respective years)

Chart 1.5: Trends in Fiscal Liabilities and GSDP



(Source: Finance Accounts for the respective years)

Though the debt/GSDP ratio is well within the target of 25.20 per cent set in TNFR Act, it is on an increasing trend from 18.96 per cent in 2015-16 to 22.96 per cent in 2019-20. Further, due to continuous increase in the borrowings, the fiscal deficit to GSDP ratio also increased in the past three years and the State was unable to contain the ratio below 3 per cent as envisioned in the TNFR Act and stood at 3.26 per cent during the year.

1.6 Deficits and Total Debt after examination in audit

1.6.1 Post audit - Deficits

The **Table 1.6** assesses the actual surplus / deficit after taking into account short / non-contribution to Funds and incorrect classification / booking by the State Government during the year 2019-20. The overall impact on Revenue Deficit and Fiscal Deficit due to misclassification of capital expenditure as revenue expenditure, short contribution to New Pension Scheme and other reserve funds, etc. are detailed below:

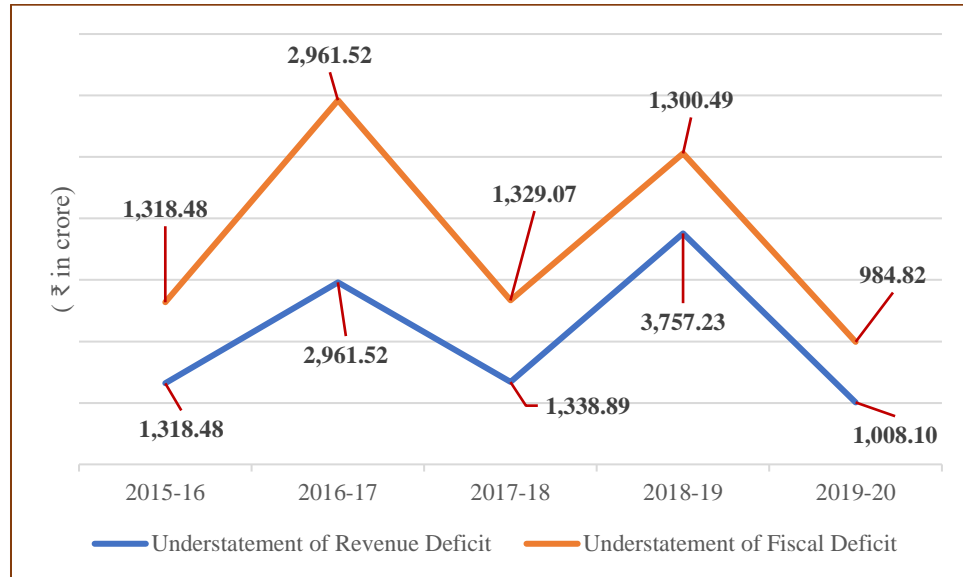
Table 1.6: Revenue and Fiscal Deficit, post examination by Audit

Particulars	Impact on Revenue Deficit (Understated (+) / overstated (-)) (₹ in crore)	Impact on Fiscal Deficit (Understated) (₹ in crore)
Expenditure met from Reserve Fund adjusted wrongly under Revenue expenditure instead of Capital expenditure	(+) 21.02	..
Short contribution to New Pension Scheme	(+) 21.46	(+) 21.46
Short transfer to other Reserve Funds	(+) 130.49	(+) 130.49
Adjustment of previous year expenditure during current year under Reserve Fund	(+) 8.00	(+) 8.00
Wrong booking of repayment of loan under Fund	..	(-) 0.43
Major works budgeted/ booked under Revenue section instead of Capital	(-) 0.84	..
Non-settlement of SGST refunds	(+) 825.01	(+) 825.01
Write off of Central loans	(+) 0.29	(+) 0.29
Capitalisation of interest dues of two entities	(+) 2.67	..
Total	(+) 1,008.10	(+) 984.82

(Source: Finance Accounts and audit analysis)

If the post audit fiscal deficit understated is taken into account, the fiscal deficit during the year would increase from ₹ 60,178.64 crore to ₹ 61,163.46 crore, thereby, widening the ratio of fiscal deficit to GSDP target set under TNFR act by 0.31 *per cent*. The resultant impact would be an increase of 0.05 *per cent* over the actual 3.26 *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)

1.6.2 Post audit – Total Outstanding Debt

This broader definition of “total outstanding debt/ liabilities” would include the following components:

Liabilities upon the Consolidated Fund (I)	Internal Debt Market Loans bearing interest Market Loans not bearing interest Loans from Life Insurance Corporation Loans from other Institutions, etc. Special Securities issued to the National Small Saving Fund of the Central Government
	Loans and Advances from Central Government Non-plan Loans Loans for State Plan Schemes Loans for Central Plan Schemes Loans for Centrally Sponsored Plan Schemes Other Loans for State Schemes
Liabilities upon Public Accounts (II)	Small Savings, Provident Funds, etc.
	Reserve Funds Deposits
Borrowings by State Public Sector Companies (III)	Where the principal and/or interest are to be serviced out of the State budgets
Borrowing by SPVs and other equivalent instruments (IV)	

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 2017), the total liabilities are defined as “the liabilities under the Consolidated Fund of the State and the Public Account of the State”. Hence, only items (I) and (II)

referred in the table form part of the total outstanding debt / liabilities of the State Government.

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 1.7** below:

Table 1.7: Details of outstanding off-budget borrowings

(₹ in crore)

Sl. No	Name of the Agency	Off-budget borrowings as of 31 March 2019	Borrowings repaid by Government during the year	Off-budget borrowings as of 31 March 2020
1	Tamil Nadu Rural Housing and Infrastructure Development Corporation	514.55	51.46	463.09
2	Water and Sanitation Pooled Fund – Tamil Nadu Urban Infrastructure Financial Services Limited	254.13	16.68	237.45
3	Tamil Nadu Water Supply and Drainage Board	5.79	2.55	3.24
4	Tamil Nadu Slum Clearance Board	0.05	0.05	Nil
	Total	774.52	70.74	703.78

(Source: Budget documents and Finance Accounts for the respective years)

Though the repayment of principal and interest is made through the budget, the outstanding off-budget borrowings of ₹ 703.78 crore do not form part of the outstanding debt liability (₹ 4,23,743 crore) of the Government as on 31 March 2020. 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. There were no off-budget borrowings during the year.

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 1.8** below:

Table 1.8: Total outstanding debts / liabilities

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Total outstanding debts/liabilities	2,23,030	2,83,394	3,26,518	3,68,736	4,23,743
Rate of growth of outstanding debts (in per cent)	16.25	27.07	15.22	12.93	14.92
GSDP at current prices	11,76,500	13,02,639	14,65,051	16,30,208	18,45,853
Ratio of total outstanding debt to GSDP (in per cent)	18.96	21.76	22.29	22.62	22.96

(Source: Finance Accounts for the respective years)

- The outstanding debt grew by 14.92 per cent over previous year.
- Considering the capital expenditure of only ₹ 29,654 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,

thereby less prioritising the capital expenditure. To the extent of reduced capital formation, debt acts as ‘burden’ on future generations.

- Though the debt/GSDP ratio is well within the target of not being more than 25.20 *per cent* as per TNFR Act, 2003, if outstanding off-budget borrowing of ₹ 704 crore is included to the total outstanding liabilities, the ratio of total outstanding debt to GSDP will increase to 22.99 *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 is on an increasing trend from ₹ 11,985 crore in 2015-16 to ₹ 35,909 crore (1.95 *per cent* of GSDP) in 2019-20. The State could not adhere to the TNFR target of eliminating the revenue deficit by 2019-20 and also failed to achieve the target proposed (₹ 17,204 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.

Fiscal Deficit as a percentage of GSDP stood at 3.26 *per cent* during the year, much higher than 3 *per cent* envisaged in TNFR Act, 2003 and is also on an increasing trend from 2016-17.

Further, due to misclassification error and short contributions to reserve funds, etc., the overall Revenue and Fiscal deficits were understated by ₹ 1,008 crore and ₹ 985 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 (2019-20) and analyses critical changes in the major fiscal aggregates relative to the previous year (2018-19), keeping in view the overall trend during the last five years.

2.1 Summary of fiscal transactions in 2019-20 vis-à-vis 2018-19

Table 2.1 presents the summary of the State Government's fiscal transactions during the current year (2019-20) vis-à-vis the previous year (2018-19) and **Appendix 2.1** depicts the trends of fiscal indicators over the period 2015-2020.

Table 2.1: Summary of fiscal operations in 2019-20 vis-à-vis 2018-19

(₹ in crore)

Receipts	2018-19	2019-20	Disbursements	2018-19	2019-20
Section-A: Revenue					
Revenue receipts	1,73,741.16	1,74,525.91	Revenue expenditure	1,97,200.60	2,10,434.73
State's Own Tax revenue	1,05,534.16	1,07,462.29	General Services	72,449.78	78,137.38
Non-tax revenue	14,200.02	12,887.84	Social Services	70,201.93	73,999.32
Share of Union Taxes/Duties	30,638.77	26,392.41	Economic Services	39,669.34	42,609.75
Grants from Government of India	23,368.21	27,783.37	Grants-in-aid and Contributions	14,879.55	15,688.28
Section-B: Capital and Others					
Miscellaneous Capital Receipts	--	--	Capital Outlay	24,310.84	25,631.58
			General Services	857.79	1,064.45
			Social Services	6,996.17	5,859.68
			Economic Services	16,456.88	18,707.45
Recoveries of Loans and Advances	6,913.43	5,384.01	Loans and Advances disbursed	6,478.03	4,022.25
Public Debt receipts	47,936.22	66,774.30	Repayment of Public Debt	15,063.62	17,866.46
Contingency Fund	--	10.32	Contingency Fund	10.32	--
Public Account receipts	2,34,438.56	2,61,483.49	Public Account disbursements	2,23,930.23	2,44,023.49
Opening Cash Balance	47,193.44	43,229.17	Closing Cash Balance	43,229.17	49,428.69
Total	5,10,222.81	5,51,407.20	Total	5,10,222.81	5,51,407.20

(Source: Finance Accounts)

Table 2.2: Major Changes in key fiscal aggregates in 2019-20 compared to 2018-19

Revenue Receipts	<ul style="list-style-type: none"> ✓ Revenue receipts of the State increased marginally by 0.45 per cent ✓ Own Tax receipts of the State increased by 1.83 per cent ✓ Own Non-tax receipts decreased by 9.24 per cent ✓ State's Share of Union Taxes and Duties decreased by 13.86 per cent ✓ Grants-in-Aid from Government of India increased by 18.89 per cent
Revenue Expenditure	<ul style="list-style-type: none"> ✓ Revenue expenditure increased by 6.71 per cent ✓ Revenue expenditure on General Services increased by 7.85 per cent ✓ Revenue expenditure on Social Services increased by 5.41 per cent ✓ Revenue expenditure on Economic Services increased by 7.41 per cent ✓ Expenditure on Grants-in-Aid increased by 5.44 per cent
Capital Outlay	<ul style="list-style-type: none"> ✓ Capital expenditure increased by 5.43 per cent ✓ Capital expenditure on General Services increased by 24.09 per cent ✓ Capital expenditure on Social Services decreased by 16.24 per cent ✓ Capital expenditure on Economic Services increased by 13.68 per cent
Loans and Advances	<ul style="list-style-type: none"> ✓ Disbursement of Loans and Advances decreased by 37.91 per cent ✓ Recoveries of Loans and Advances decreased by 22.12 per cent
Public Debt	<ul style="list-style-type: none"> ✓ Public Debt Receipts increased by 39.30 per cent ✓ Repayment of Public Debt increased by 18.60 per cent
Public Account	<ul style="list-style-type: none"> ✓ Public Account Receipts increased by 11.54 per cent ✓ Disbursement of Public Account increased by 8.97 per cent
Cash Balance	<ul style="list-style-type: none"> ✓ Cash balance increased by ₹ 6,199 crore (14.34 per cent) during 2019-20 compared to previous year

The significant changes that occurred during 2019-20, as compared to the previous year are enumerated in the succeeding sub paragraphs.

- **Revenue receipts** of the State increased by a meagre 0.45 per cent (₹ 785 crore) over the previous year, which includes ₹ 2.67 crore of interest receipts through book adjustments being the capitalisation of interest dues as a part of restructuring of loans and advances taken up by the Government during 2018-19.
- **Revenue expenditure** increased by ₹ 13,235 crore (6.71 per cent) over the previous year due to increase in expenditure on General Services by 7.85 per cent (₹ 5,688 crore), Social Services by 5.41 per cent (₹ 3,797 crore), Economic Services by 7.41 per cent (₹ 2,941 crore) and Grants-in-aid contributions by 5.44 per cent (₹ 809 crore).

- **Capital expenditure** increased by 5.43 per cent (₹ 1,321 crore) during 2019-20 over the previous year, as compared to the growth rate of 20.33 per cent in 2018-19 over 2017-18.
- **Public Debt Receipts i.e., borrowings** increased by ₹ 18,838 crore (39.30 per cent) over the previous year mainly due to increase in the Internal Debt by 42.08 per cent over the previous year.
- **Recoveries of loans and advances** during the year decreased by ₹ 1,529 crore (22.12 per cent). The recoveries include conversion of TANGEDCO'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 ₹ 821 crore.
- **Loans and advances** disbursed during the year decreased by ₹ 2,456 crore (37.91 per cent) from the previous year mainly due to the fact that during the previous year (2018-19), the Government capitalised interest dues amounting to ₹ 2,461.48 crore from certain loan recipient organisations and treated them as fresh loans during 2018-19 through book adjustments which had resulted in understatement of Revenue Deficit as well as inflation of loan disbursed to that extent during 2018-19.
- **Public Account receipts and disbursements** increased by ₹ 27,044 crore (11.54 per cent) and by ₹ 20,093 crore (8.97 per cent) respectively. Net receipts under Public Account increased by ₹ 6,951 crore over the previous year.
- The net impact of these transactions led to an increase of ₹ 6,199 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 2018-19 and 2019-20

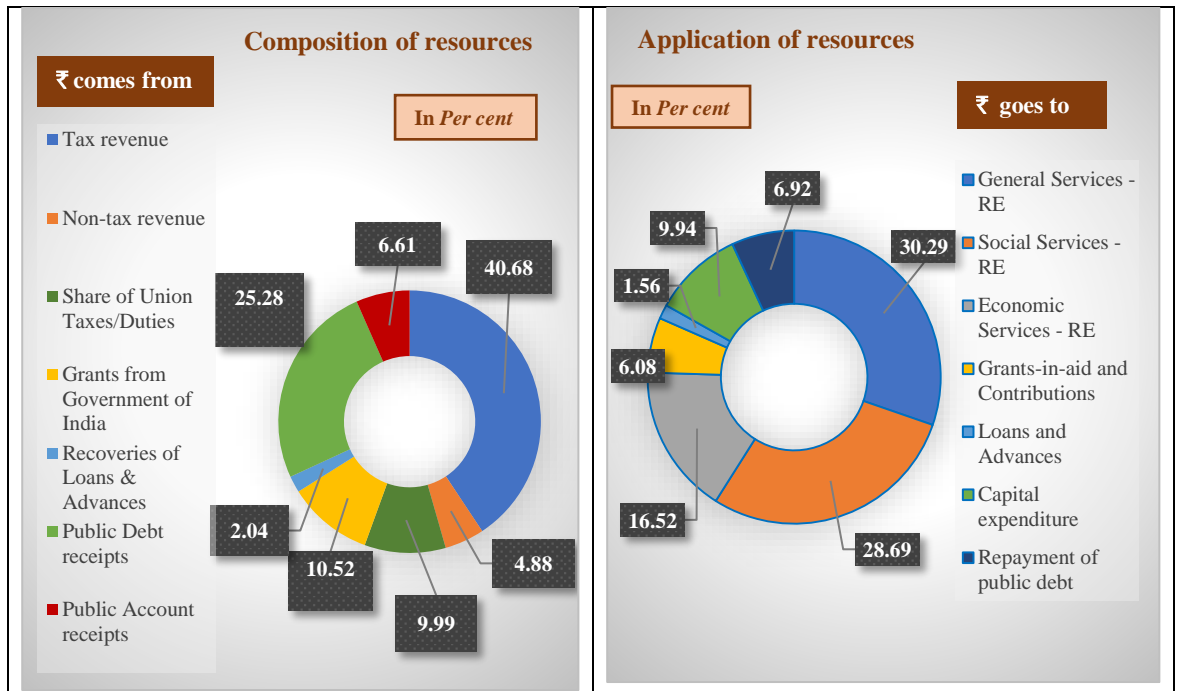
(₹ in crore)

	Particulars	2018-19	2019-20	Increase/ Decrease
Sources	Opening Cash Balance with RBI	47,193	43,229	(-) 3,964
	Revenue Receipts	1,73,741	1,74,526	785
	Recoveries of Loans and Advances	6,913	5,384	(-) 1,529
	Contingency Fund (recouped during the year)	--	10	10
	Public Debt Receipts (Net)	32,872	48,908	16,036
	Public Account Receipts (Net)	10,509	17,460	6,951
	Total	2,71,228	2,89,517	18,289
Application	Revenue Expenditure	1,97,200	2,10,435	13,235
	Capital Expenditure	24,311	25,632	1,321
	Disbursement of Loans and Advances	6,478	4,022	(-) 2,456
	Contingency Fund (Un-recouped)	10	--	(-) 10
	Closing Cash Balance with RBI	43,229	49,428	6,199
	Total	2,71,228	2,89,517	18,289

(Source: Finance Accounts)

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.

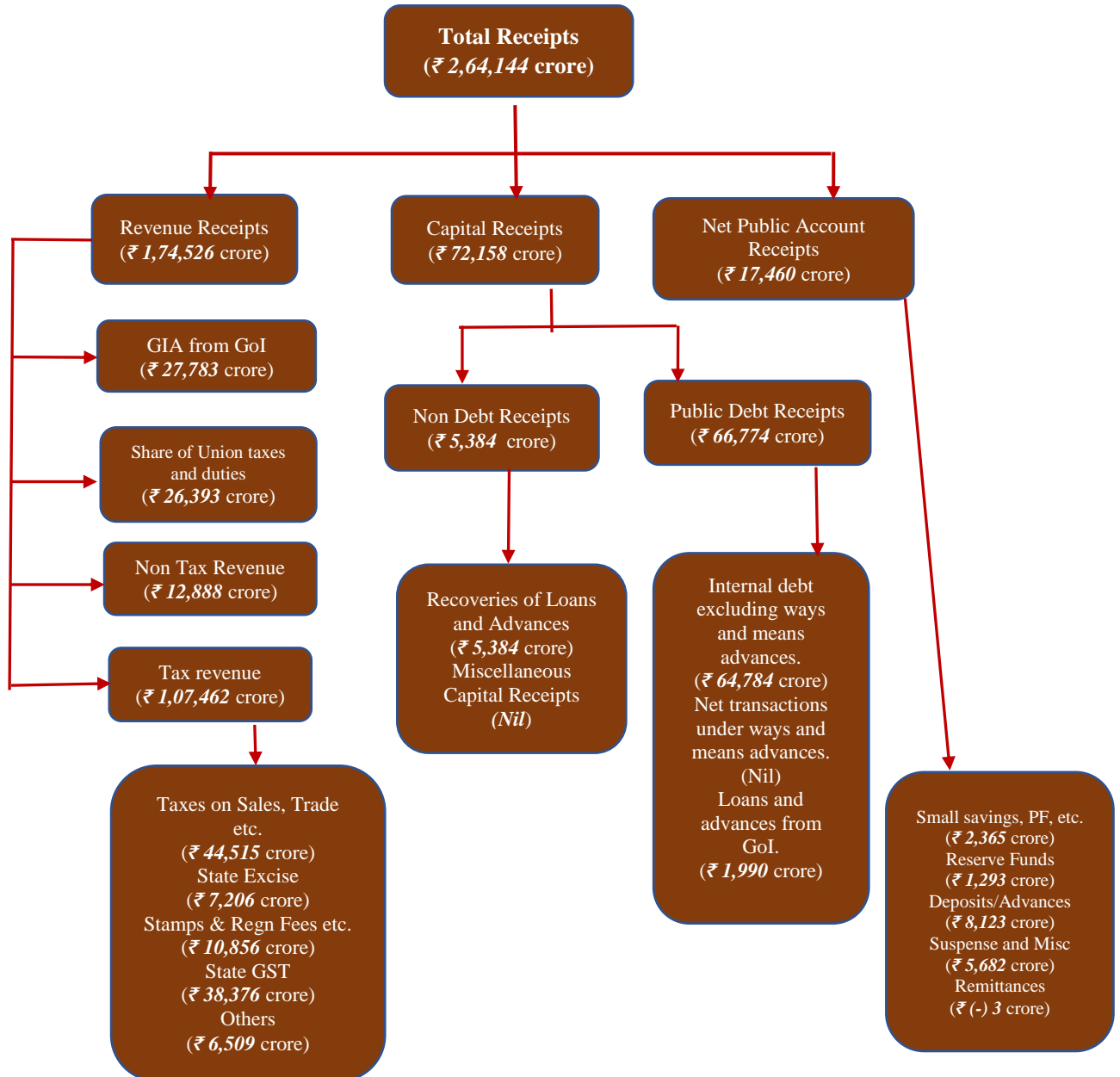
3. **Net Public Accounts receipts:** These are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, etc. which do not form part of the Consolidated Fund.

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 2019-20



The total resources of the State Government in 2019-20 were ₹ 2,64,144 crore. Of these, revenue receipts were ₹ 1,74,526 crore, which constituted 66.07 per cent of total resources. Capital receipts (₹ 72,158 crore) and net Public Account receipts (₹ 17,460 crore) constituted 27.32 and 6.61 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	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Receipts (RR) (₹ in crore)	1,29,008	1,40,231	1,46,280	1,73,741	1,74,526
Rate of growth of RR (per cent)	5.38	8.70	4.31	18.77	0.45
Own Tax Revenue (₹ in crore)	80,476	85,941	93,737	1,05,534	1,07,462
Non-Tax Revenue (₹ in crore)	8,918	9,914	10,764	14,200	12,888
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (per cent)	2.74	7.23	9.02	14.58	0.51
Gross State Domestic Product (₹ in crore) (2011-12 series)	11,76,500	13,02,639	14,65,051	16,30,208	18,45,853
Rate of growth of GSDP (per cent)	9.68	10.72	12.47	11.27	13.23
RR/GSDP (per cent)	10.97	10.77	9.98	10.66	9.46
Buoyancy Ratios²					
Revenue Buoyancy w.r.t GSDP	0.56	0.81	0.35	1.67	0.03
State's Own Revenue Buoyancy w.r.t GSDP	0.28	0.67	0.72	1.29	0.04

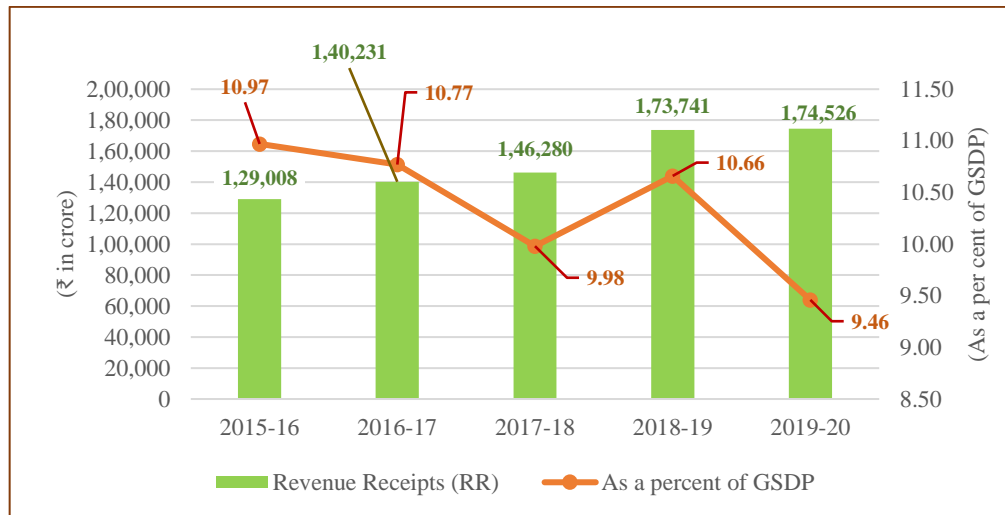
(Source of GSDP at current prices: Department of Economics and Statistics, Central Statistics Office)

- The annual growth rate of revenue receipts during 2019-20 stood at a meagre 0.45 per cent, which was much lower than the growth rate of revenue receipts (2.08 per cent) in the General Category States (GCS) (**Appendix 1.1**).

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.

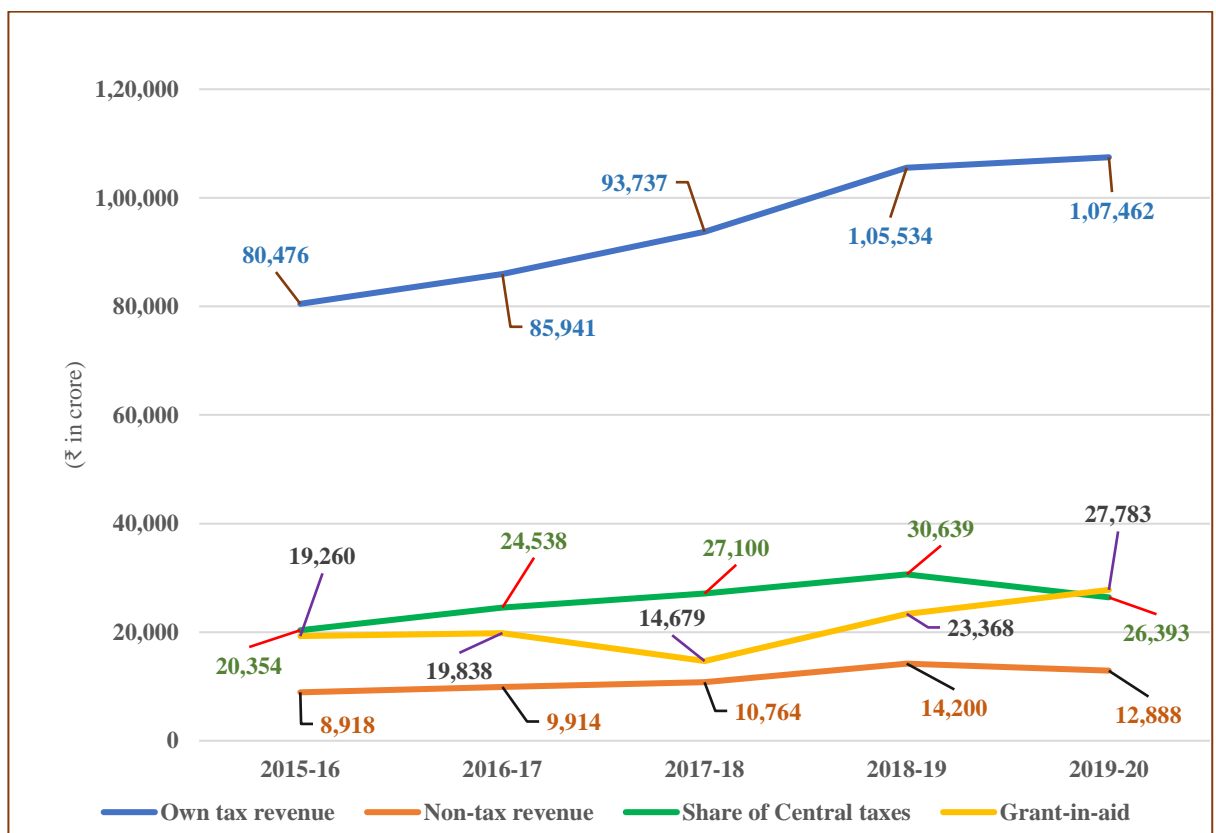
- The GSDP growth rate picked up to 13.23 per cent during 2019-20, which is more than the ‘All India’ rate of 7.21 per cent. Revenue buoyancy with reference to GSDP decreased drastically from 1.67 in 2018-19 to 0.03 during the current year.

Chart 2.2: Trend of Revenue Receipts



(Source: Finance Accounts for the respective years)

Chart 2.3: Trend of components of Revenue Receipts



(Source: Finance Accounts for the respective years)

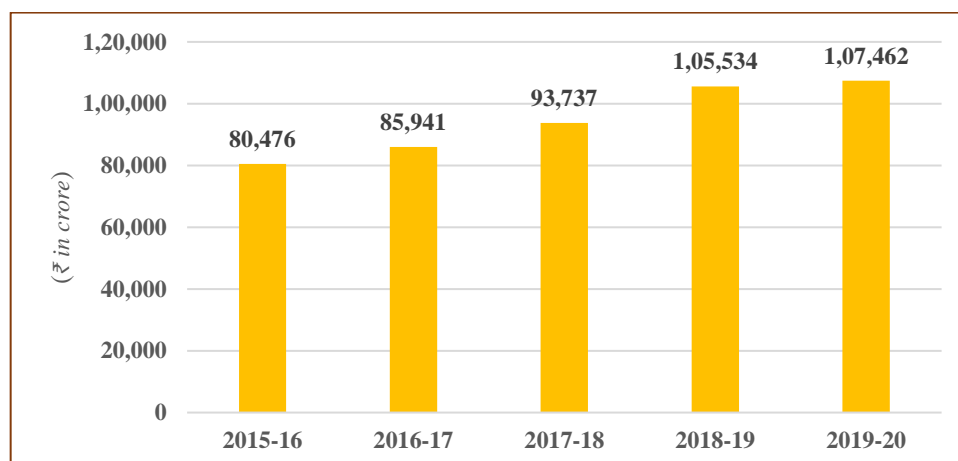
2.3.2.2 State's Own Resources

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.

Chart 2.4: Growth of Own Tax Revenue during 2015-2020



(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

Revenue Head	2015-16	2016-17	2017-18	2018-19	2019-20	Sparkline
State Goods and Service Tax	--	--	24,589	38,533	38,376	
Taxes on Sales, Trade, etc.	57,522	63,234	46,356	42,701	44,515	
State Excise	5,836	6,248	5,815	6,863	7,206	
Taxes on Vehicles	4,233	4,854	5,363	5,573	5,675	
Stamps and Registration Fees	8,721	7,237	9,195	11,066	10,856	
Land Revenue	258	153	152	178	258	
Taxes on Goods and Passengers	2,153	2,551	900	3	11	
Other Taxes	1,753	1,664	1,367	617	565	
Total	80,476	85,941	93,737	1,05,534	1,07,462	
(Growth rate over previous year in per cent)	(2.31)	(6.79)	(9.07)	(12.59)	(1.83)	

(Source: Finance Accounts for the respective years)

- The annual growth rate of own tax revenue during 2019-20 stood at 1.83 per cent, which was less than the average growth rate (2.12 per cent) of the GCS (**Appendix 1.1**).

- Own tax revenue as a percentage of GSDP of the State during 2019-20 was 5.82 as compared to its neighbouring States of Karnataka and Kerala which were 6.03 *per cent* and 5.89 *per cent* respectively.
- Other taxes 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 2019-20 in accordance with the base year figure was ₹ 50,307.98 crore (₹ 29,786.36 crore x 1.14 x 1.14 x 1.14 x 1.14). Revenue figure under GST for the year 2019-20 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 2017-20 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	Compensation	Total including compensation	Shortfall
1	2	3	4	5	6 = (3+4+5)	7	8 = (6+7)	9 = (2-8)
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	455.16
April 2018 to March 2019	44,129.80	Nil	21,264.32	17,268.77	38,533.09	3,151.00	41,684.09	2,445.71
April 2019 to March 2020	50,307.98	Nil	24,148.35	14,227.84	38,376.19	8,922.03	47,298.22	3,009.76

* 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 ₹ 50,307.98 crore for 2019-20, there was a shortfall of ₹ 3,009.76 crore and the receipt was ₹ 47,298.22 crore under the new tax regime, which worked out to a growth of 7.18 per cent as against the projected growth of 14 per cent.

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 2020 in some principal revenue heads are as follows:

Table 2.7: Arrears of revenue as on 31 March 2020

(₹ in crore)

Sl. No	Department	Amount outstanding on 31 March 2020	Amount outstanding for more than five years as on 31 March 2020
1	Prohibition and Excise	32.75	32.75
2	Registration	386.46	334.96
3	Commercial Tax (SGST)	100.74	--
4	Commercial Tax (other than GST)	29,583.92	11,481.81
	Total	30,103.87	11,849.52

(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. High pendency of refund cases may indicate red tape, vested interests, prevalence of speed money, etc. 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 2019	Cases detected during 2019-20	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 2020
					No. of cases	Amount of demand (₹ in crore)	
1	Commercial tax (Sales Tax / VAT)	5,201	416	5,617	2,969	4,883.91	2,648
2	Commercial tax (SGST)	--	5,214	5,214	5,087	406.54	127

(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	2,337	90.78	3,475	102.78	2	0.10
2	Claims received during the year	20,889	2,671.50	941	188.80	1	0.01
3	Refunds made / rejected during the year	22,582	2,689.27	3,998	263.79	2	0.10
4	Balance outstanding at the end of year	644	73.01	418	27.79	1	0.01

(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

Revenue Head	₹ in crore					Sparkline
	2015-16	2016-17	2017-18	2018-19	2019-20	
Interest receipts	2,953	4,319	5,199	6,875	4,356	
Dividends and Profits	140	185	159	156	192	
Other non-tax receipts	5,825	5,410	5,406	7,169	8,340	
a) Major and Medium Irrigation	40	34	31	45	48	
b) Road Transport	163	133	125	143	83	
c) Urban Development	624	648	514	1,016	781	
d) Education	1,355	1,195	1,153	1,592	1,793	
e) Non-Ferrous Mining	981	984	1,146	1,057	1,150	
f) Others	2,662	2,416	2,437	3,316	4,485	
Total	8,918	9,914	10,764	14,200	12,888	
Percentage of non-tax revenue to State's own resources	9.98	10.34	10.30	11.86	10.71	

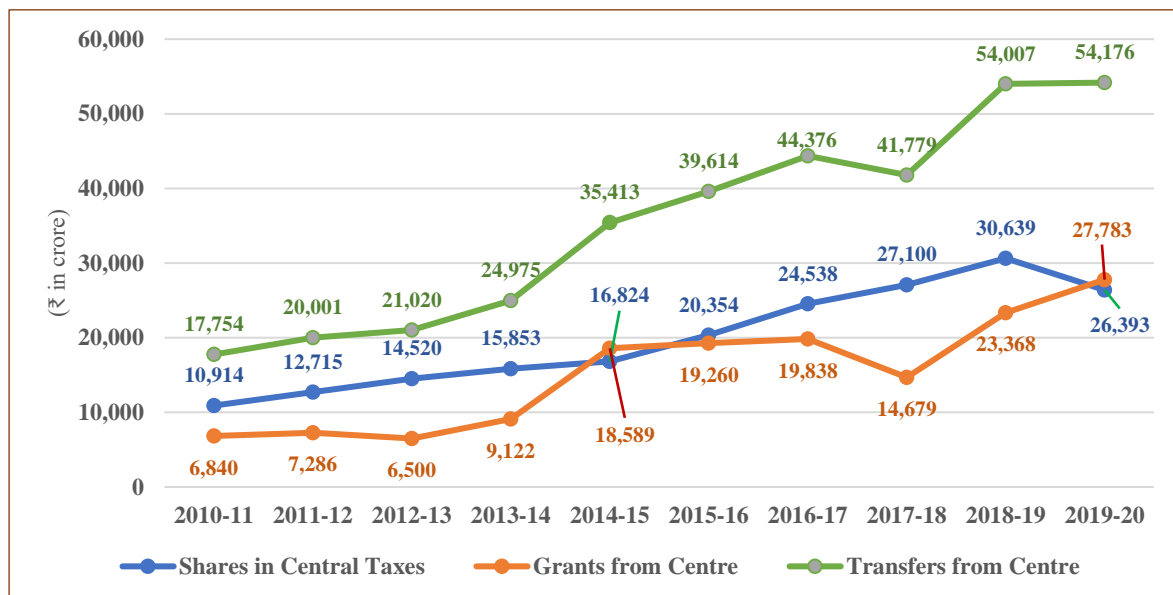
(Source: Finance Accounts for the respective years)

- The non-tax revenue of the State decreased by ₹ 1,312 crore in 2019-20 over the previous year. As a proportion of the State's own resources, the non-tax revenue which stood at 11.86 per cent in 2018-19 decreased to 10.71 per cent in 2019-20. The decrease in interest receipts by ₹ 2,519 crore was on account of the book adjustments due to restructuring of loans and advances to the tune of ₹ 2,461 crore during 2018-19, which had inflated the non-tax revenue during 2018-19.
- While the compound annual growth rate (CAGR) of non-tax revenue of the State was higher (14.97 per cent) when compared to GCS (11.19 per cent) during 2010-19, it turned negative {(-) 9.24 per cent} during 2019-20. This was due to the decrease in non-tax revenue. CAGR of General Category States was at (23.44 per cent) during the year (Appendix 1.1).

2.3.2.3 Transfers from the Centre

Transfers from Centre are heavily dependent on Finance Commission recommendations. The trends for a period of 10 years (2010-2020) is given in **Chart 2.5** below:

Chart 2.5: Trends in transfers from Centre



(Source: Finance Accounts for the respective years)

Central tax transfers

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 Finance Commission 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
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 FFC)	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 (RE)		41,796	26,393	(-) 15,403

* Finance Commission Recommendations

(Source: Reports of the TFC & FFC, Finance Accounts and Annual Financial Statements)

Table 2.12: Components of Central Tax Transfers

(₹ in crore)					
Head	2015-16	2016-17	2017-18	2018-19	2019-20
Central Goods and Services Tax (CGST)	--	--	382.92	7,561.77	7,489.35
Integrated Goods and Services Tax (IGST)	--	--	2,735.56	603.50	--
Corporation Tax	6,379.84	7,862.52	8,298.06	10,654.53	8,998.76
Taxes on Income other than Corporation Tax	4,403.41	5,464.48	7,007.12	7,846.62	7,051.14
Customs	3,266.20	3,124.11	2,734.70	2,171.71	1,672.92
Union Excise Duties	2,748.63	4,120.15	2,858.60	1,443.22	1,163.13
Service Tax	3,535.13	3,948.52	3,082.99	282.27	0.00
Other Taxes *	20.65	17.99	(-) 0.25	75.15	17.11
Total Central Tax transfers	20,353.86	24,537.77	27,099.70	30,638.77	26,392.41
Revenue Receipts	1,29,008	1,40,231	1,46,280	1,73,741	1,74,526
Percentage of increase over previous year	20.98	20.56	10.44	13.06	(-) 13.86
Percentage of Central tax transfers to Revenue Receipts	15.78	17.50	18.53	17.63	15.12

* 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 (FFC) during the entire period (2015-2020) and the shortfall stood at (-) 36.85 per cent in 2019-20.
- The growth rate of State's share of net proceeds (Central tax transfers) turned negative from 13.06 per cent in 2018-19 to (-) 13.86 per cent in 2019-20, 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 ₹ 1,655.77 crore, Taxes on Income other than Corporation Tax by ₹ 795.48 crore, IGST by ₹ 603.50 crore and Customs by ₹ 498.79 crore in 2019-20.

Table 2.13: Grants-in-aid from GoI

(₹ in crore)					
Head	2015-16	2016-17	2017-18	2018-19	2019-20
Non-Plan Grants*	5,832.15	6,757.20	--	--	--
Grants for State Plan Schemes*	12,016.80	10,550.35	--	--	(-) 71.80
Grants for Central Plan Schemes*	693.96	495.47	--	(-) 0.01	--
Grants for Centrally Sponsored Schemes*	716.71	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
Finance Commission Grants	--	--	1,951.04	3,705.46	5,905.69
Other transfers/Grants to States/Union Territories with Legislature	--	--	1,745.43	4,843.73	9,485.73 [§]
Total	19,259.62	19,838.20	14,679.44	23,368.21	27,783.37
Percentage of increase over the previous year	3.61	3.00	(-) 26.00	59.19	18.89
Percentage of GIA to Revenue Receipts	14.93	14.15	10.04	13.45	15.92

* 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 ₹ 8,922 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 ₹ 4,415.16 crore (18.89 per cent) over the previous year.
- As a percentage of revenue receipts, grants-in-aid, which stood at 13.45 in 2018-19, increased significantly to 15.92 in 2019-20 mainly due to increase in 'compensation for loss of revenue arising out of implementation of GST' by ₹ 5,771.03 crore over the previous year.

Fourteenth Finance Commission Grants

Transfers from GoI to the State during 2019-20 on the recommendations of FFC 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	Recommendation of the XIVFC			Actual Release by GOI			Release by State Government		
		2015-16 to 2018- 19	2019-20	Total	2015-16 to 2018- 19	2019-20	Total	2015-16 to 2018- 19	2019-20	{% of column (9) to column (6)}
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Local Bodies										
(i) Grants to PRIs										
(a) General Basic Grant	7,899.69	5,529.83	2,369.86	7,899.69	5,529.86	1,821.11	7,350.94	5,529.83	1,821.11	100.00
(b) General Performance Grants	877.74	588.10	289.64	877.74	172.12	--	172.12	172.12	--	--
(ii) Grants to ULBs										
(a) General Basic Grant	6,585.84	4,610.13	1,975.71	6,585.84	4,610.13	1,975.70	6,585.83	4,610.13	1,975.70	100.00
(b) General Performance Grants	1,646.47	1,103.16	543.31	1,646.47	322.87	--	322.87	322.87	--	--
Total for Local Bodies	17,009.74	11,831.22	5,178.52	17,009.74	10,634.95	3,796.81	14,431.76	10,634.95	3,796.81	100.00
State Disaster Response Fund*	*3,751.00	**2,926.00	**825.00	3,751.00	2,312.40	***500.85	2,813.25	2,926.00	707.10	141.18
Grand Total	20,760.74	14,757.22	6,003.52	20,760.74	13,065.25	4,297.66	17,362.91	13,560.95	4,503.91	104.80

* 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	2015-16	2016-17	2017-18	2018-19	2019-20
Capital Receipts (₹ in crore)	36,750.35	69,691.43	54,196.15	54,849.65	72,158.31
Miscellaneous Capital Receipts	--	0.79	2.24	--	--
Recovery of Loans and Advances	683.81	3,547.96	8,472.35	6,913.43	5,384.01
Public Debt Receipts (₹ in crore)	36,066.54	66,142.68	45,721.56	47,936.22	66,774.30
<i>Internal Debt (₹ in crore)</i>	<i>34,695.71</i>	<i>64,282.94</i>	<i>42,968.86</i>	<i>45,596.47</i>	<i>64,784.61</i>
<i>Growth rate (per cent)</i>	<i>17.36</i>	<i>85.28</i>	<i>(-) 33.16</i>	<i>6.12</i>	<i>42.08</i>
<i>Loans and Advances from GoI (₹ in crore)</i>	<i>1,370.83</i>	<i>1,859.74</i>	<i>2,752.70</i>	<i>2,339.75</i>	<i>1,989.69</i>
<i>Growth rate (per cent)</i>	<i>(-) 9.64</i>	<i>35.67</i>	<i>48.02</i>	<i>(-) 15.00</i>	<i>(-) 14.96</i>
Rate of growth of debt Capital Receipts (per cent)	16.04	83.39	(-) 30.87	4.84	39.30
Rate of growth of non-debt Capital Receipts (per cent)	(-) 49.98	418.97	138.80	(-) 18.42	(-) 22.12
Rate of growth of GSDP (per cent)	9.68	10.72	12.47	11.27	13.23
Rate of growth of Capital Receipts (per cent)	13.26	89.63	(-) 22.23	1.21	31.56

(Source: Finance Accounts for the respective years)

- The recoveries of loans and advances during 2019-20 included the conversion of TANGEDCO's loan of ₹ 4,563 crore as grants-in-aid under UDAY scheme.
- Public Debt receipts increased from ₹ 47,936 crore during 2018-19 to ₹ 66,774 crore in 2019-20 mainly due to increase (₹ 19,300 crore) in market loans under internal debt.

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 year 2019-20 vis-à-vis assessment made by FFC, its Budget and Medium Term Fiscal Plan (MTFP) are given in **Table 2.16**

Table 2.16: Tax and non-tax receipts vis-à-vis projections

	FFC projections	Budget Estimates	Projections made in MTFP	Actual	Percentage variation of actual over	
					Budget estimates	FFC projections
Own Tax revenue	1,93,433	1,24,813	1,26,098	1,07,462	(-) 13.90	(-) 44.44
Non-tax revenue	16,608	13,327	11,866	12,888	(-) 3.29	(-) 22.40

(Source: FFC recommendations and Budget Speech - 2019-20)

State's own tax revenue receipts during 2019-20 fell considerably short of the target fixed under FFC, Budget and MTFP. Though, the non-tax revenue

exceeded the target fixed in the MTFP, it fell short of the targets fixed under FFC and Budget. The State's own tax revenue was less by 14.78 per cent over projections made in MTFP.

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 paragraph along with subparagraphs 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 2.17, 2.18** and **Charts 2.6 to 2.8**

Table 2.17: Total expenditure and its composition

(₹ in crore)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
Total Expenditure (TE)	1,62,319.23	1,99,951.25	1,94,593.86	2,27,989.47	2,40,088.56
Revenue Expenditure (RE)	1,40,993.22	1,53,195.26	1,67,873.63	1,97,200.60	2,10,434.73
Capital Expenditure (CE)	18,994.58	20,709.49	20,203.20	24,310.84	25,631.58
Loans and Advances	2,331.43	26,046.50	6,517.03	6,478.03	4,022.25
As a percentage of GSDP					
TE/GSDP	13.80	15.35	13.28	13.99	13.01
RE/GSDP	11.98	11.76	11.46	12.10	11.40
CE/GSDP	1.61	1.59	1.38	1.49	1.39
Loans and Advances/GSDP	0.20	2.00	0.44	0.40	0.22

(Source: Finance Accounts for the respective years)

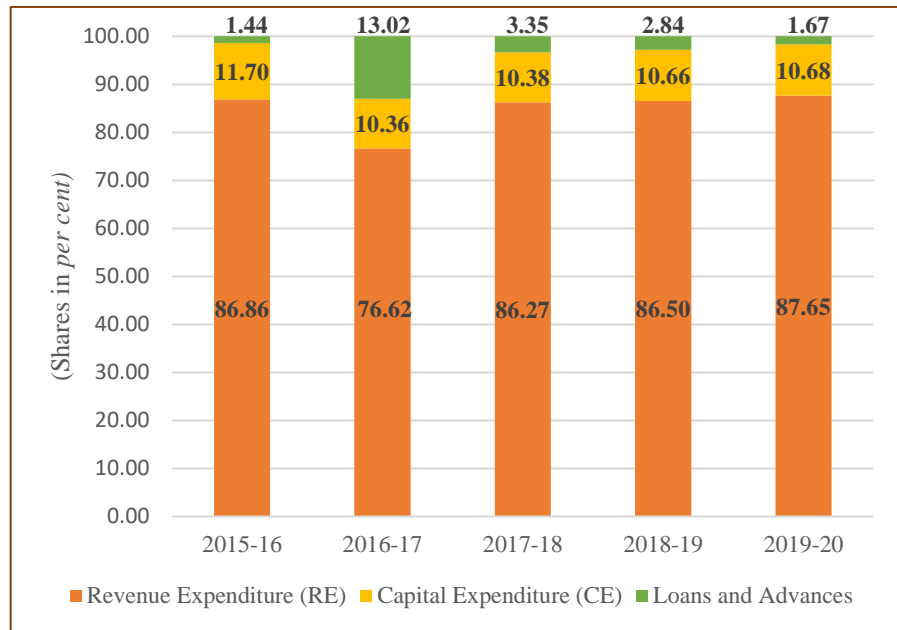
Table 2.18: Relative share of various sectors of expenditure

(in per cent)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
General Services *	28.69	26.11	31.50	32.15	32.99
Social Services *	37.25	30.68	33.16	33.86	33.26
Economic Services *	26.01	23.95	26.10	24.62	25.54
Others (Grants to Local Bodies and Loans and Advances)	8.05	19.26	9.24	9.37	8.21

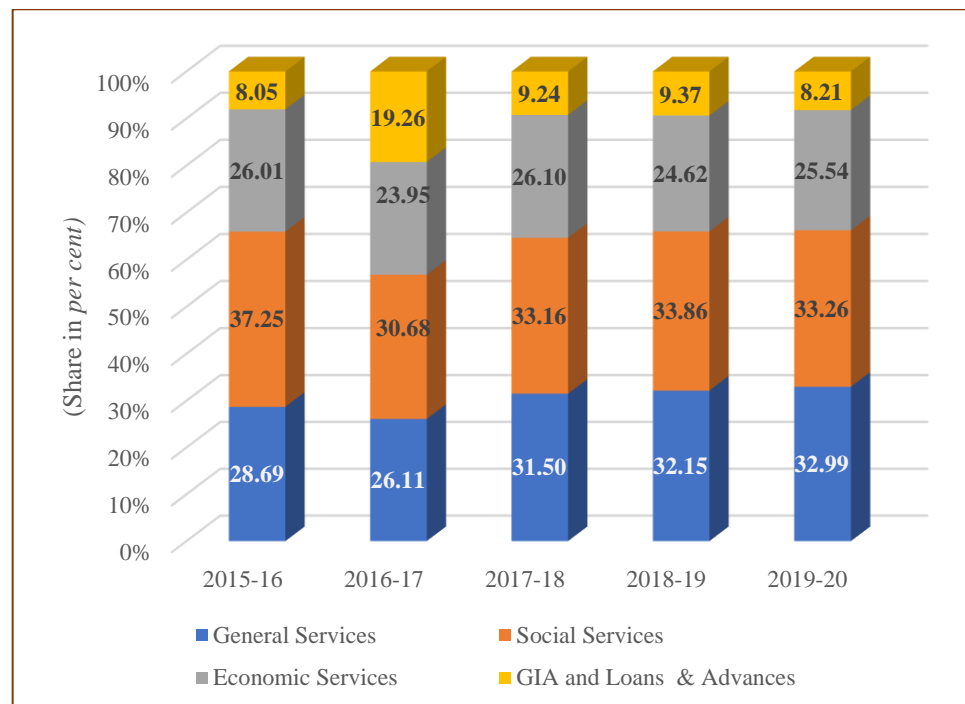
(* Sum of revenue and capital expenditure under these services)

Chart 2.6: Total Expenditure: Trends in share of its components



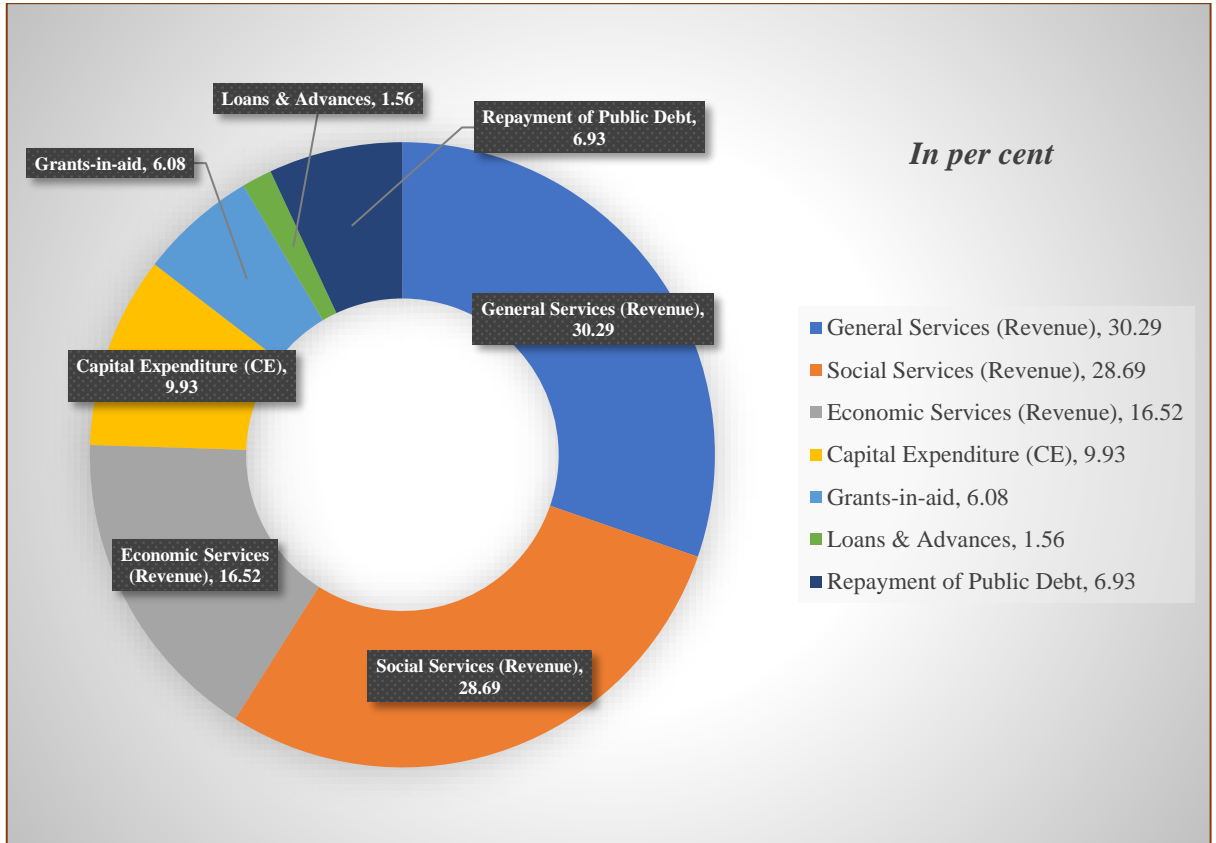
(Source: Finance Accounts for the respective years)

Chart 2.7: Total expenditure - Expenditure by activities



(Source: Finance Accounts for the respective years)

Chart 2.8: Composition of expenditure



(Source: Finance Accounts)

- Of the total expenditure of ₹ 2,40,089 crore during 2019-20, Revenue Expenditure (₹ 2,10,435 crore), Capital Expenditure (₹ 25,632 crore) and Loans and Advances (₹ 4,022 crore) accounted for 87.65 per cent, 10.68 per cent and 1.67 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 84.78 per cent (ranging from 86.86 per cent in 2015-16 to 87.65 per cent in 2019-20) of the total expenditure during the period 2015-20. Rate of growth of Revenue Expenditure has displayed wide fluctuation during the five-year period 2015-20 between 26.00 per cent in 2015-16 to 6.71 per cent in 2019-20. 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 2.19** and the sectoral distribution of Revenue Expenditure pertaining to 2019-20 is given in **Chart 2.9**.

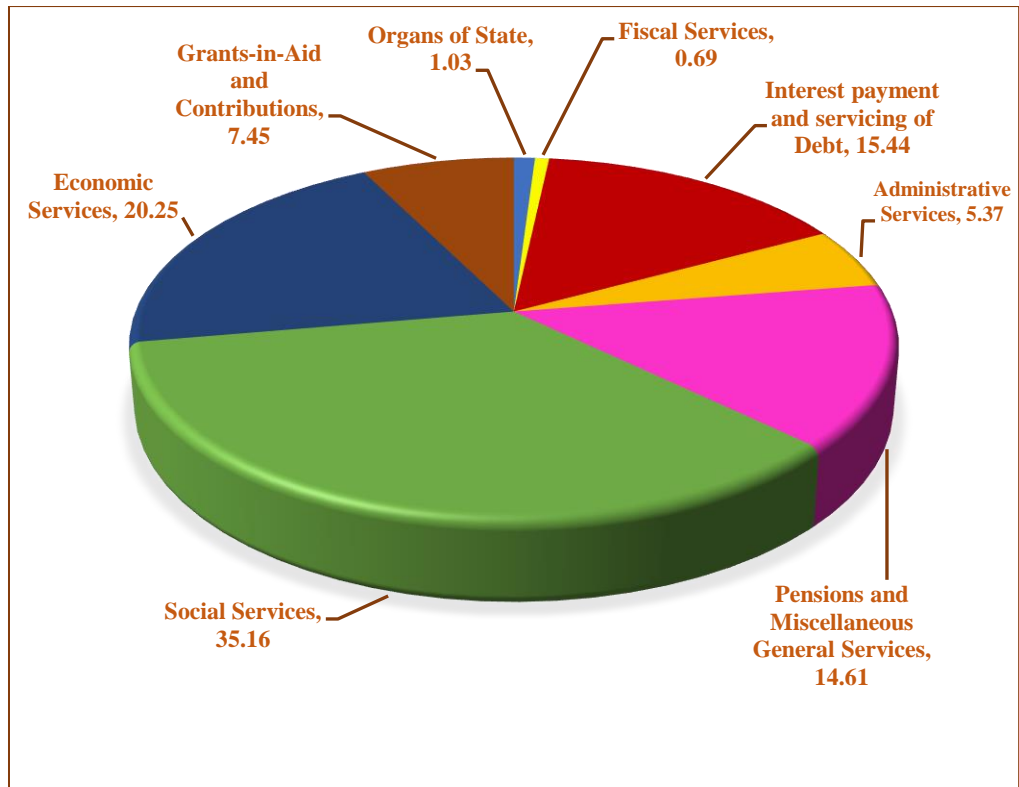
Table 2.19: Revenue Expenditure – Basic Parameters

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
Total Expenditure (TE) (₹ in crore)	1,62,319.23	1,99,951.25	1,94,593.86	2,27,989.47	2,40,088.56
Revenue Expenditure (RE) (₹ in crore)	1,40,993.22	1,53,195.26	1,67,874.00	1,97,200.60	2,10,434.73
Rate of Growth of RE (per cent)	26.00	8.65	9.58	17.47	6.71
Revenue Expenditure as percentage of TE	86.86	76.62	86.27	86.50	87.65
RE/GSDP (per cent)	11.98	11.76	11.46	12.10	11.40
RE as percentage of RR	109.29	109.24	114.76	113.50	120.58
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	2.69	0.81	0.77	1.55	0.51
Revenue Receipts (ratio)	4.83	0.99	2.22	0.93	14.91

(Source: Finance Accounts for the respective years)

Chart 2.9: Sector-wise distribution of revenue expenditure

(in per cent)



(Source: Finance Accounts)

- During 2019-20, although Revenue Expenditure witnessed a marginal increase of ₹ 13,234 crore (6.71 per cent) over the previous year, it declined as a percentage of GSDP from 12.10 per cent in 2018-19 to 11.40 per cent during the current year.
- Revenue Expenditure was lower only by ₹ 3,886 crore (1.81 per cent) vis-à-vis the assessment made in MTFP.

2.4.2.1 Major changes in Revenue Expenditure

Table 2.20 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 2.20: Variation in Revenue Expenditure during 2019-20 compared to 2018-19

(₹ in crore)

Major Head	Description	2019-20	2018-19	Increase (+) / Decrease (-)
2202	General Education	36,658.92	31,582.09	5,076.83
2049	Interest Payments	31,980.19	28,757.01	3,223.18
2801	Power	8,728.44	7,662.70	1,065.74
2401	Crop Husbandry	8,839.19	7,801.19	1,038.00
3604	Compensation and Assignments to Local Bodies and Panchayat Raj Institutions	15,688.28	14,879.55	808.73
2055	Police	7,526.21	6,733.76	792.45
2015	Elections	794.47	192.00	602.47
2071	Pensions and other Retirement Benefits	30,201.77	29,629.60	572.17
2217	Urban Development	1,647.13	1,085.79	561.34
2852	Industries	2,763.30	2,249.50	513.80
2245	Relief on account of Natural Calamities	859.31	2,238.47	(-) 1,379.16
2505	Rural Employment	1,981.62	2,842.52	(-) 860.90
2216	Housing	3,161.48	3,922.86	(-) 761.38

(Source: Finance Accounts)

- Revenue Expenditure towards (i) General Education increased mainly under Salaries / Other allowances, student bus passes, reimbursement of tuition fees under Right to Education Act (RTE), supply of text books etc., and (ii) interest payments due to increase in repayment of debt charges.

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.

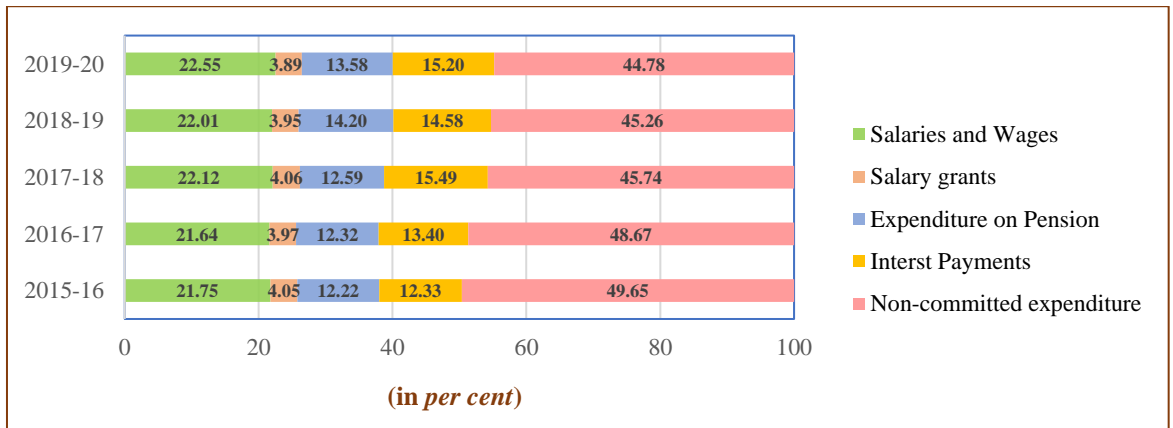
Table 2.21: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2015-16	2016-17	2017-18	2018-19	2019-20
Salaries & Wages	30,664	33,158	37,140	43,394	47,447
Salary grants	5,712	6,088	6,819	7,792	8,190
Expenditure on Pensions	17,235	18,879	21,132	27,993	28,577
Interest Payments	17,391	20,533	26,012	28,757	31,980
Total	71,002	78,658	91,103	1,07,936	1,16,194
As a percentage of Revenue Receipts (RR)					
Salaries & Wages	23.77	23.65	25.39	24.98	27.19
Salary grants	4.43	4.34	4.66	4.48	4.69
Expenditure on Pensions	13.36	13.46	14.45	16.11	16.37
Interest Payments	13.48	14.64	17.78	16.55	18.32
Total	55.04	56.09	62.28	62.12	66.57
As a percentage of Revenue Expenditure (RE)					
Salaries & Wages	21.75	21.64	22.12	22.01	22.55
Salary grants	4.05	3.97	4.06	3.95	3.89
Expenditure on Pensions	12.22	12.32	12.59	14.20	13.58
Interest Payments	12.33	13.40	15.49	14.58	15.20
Total	50.35	51.33	54.26	54.74	55.22

(Source: Finance Accounts for the respective years)

Chart 2.10: Share of Committed expenditure in total Revenue Expenditure



(Source: Finance Accounts for the respective years)

- The committed expenditure (₹ 1,16,194 crore) is on an increasing trend mainly due to increase in expenditure towards salary / wages / salary grants and payment towards pensions and stood at 66.57 per cent of the total revenue receipts (₹ 1,74,526 crore) of the State during 2019-20, as against 62.12 per cent during 2018-19.
- The expenditure towards interest payments increased by ₹ 3,223 crore (11.21 per cent) during 2019-20 over the previous year.
- During 2019-20, expenditure on non-committed expenditure decreased gradually from 49.65 per cent in 2015-16 to 44.78 per cent in 2019-20 indicating that the committed liabilities of the State grew year on year leaving lesser funds towards other social and economic activities.

2.4.2.3 Undischarged liabilities in 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 employees³ 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. The State Government opens a Current Account with the Bank for parking the funds before transfer to NSDL. 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 16 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 ₹ 30,201.77 crore which is 14.35 *per cent* of total Revenue Expenditure of ₹ 2,10,434.73 crore during the year 2019-20. During the year 2019-20, out of total amount of ₹ 36,809.88 crore accumulated in the Fund as of 31 March 2020, an amount of ₹ 23,160.00 crore was invested under “New Group Superannuation Scheme with Cash Accumulation Plan” with Life Insurance Corporation of India. No interest has accrued from investment in LIC during the year. Out of the balance amount of ₹ 13,649.88 crore, an amount of ₹ 7,755.48 crore stands invested in Treasury Bills as of 31 March 2020. The investments during the year earned an interest of ₹ 1,251.52 crore.

Till the end of Financial Year 2019-20, Government has earned ₹ 5,960.51 crore (including ₹ 1,251.52 crore earned in 2019-20) as interest through investment in Treasury Bills. The amount of interest was credited in the Consolidated Fund

³ Including employees of Local Bodies and aided educational institutions.

under MH-0049-Interest Receipts. The receipts earned from DCPS accumulation should be transferred to the DCPS Fund under MH-8342-117 in the Public Account as this is earned on the investments made from the corpus of DCPS fund. However, on the contrary, the Government credited ₹ 1,251.52 crore as their receipts under Major head 0049-04-800-CW- Interest on Investment of Defined Pension Scheme Deposits for Government Servants into Consolidated Fund of State, thus overstating receipts and consequently impacting fiscal parameters to this extent. However, an amount of ₹ 2,438.14 crore was credited to the DCPS Fund as Interest by allocating provision under MH 2049 – Interest payments, by the State Government during the year, which worked out to 94.81 *per cent* over and above the interest earned on DCPS investments during the year.

As per office order GO.Ms. No. 158 dated 24.05.2019, the Government is required to pay interest at the rate of interest allowed to GPF, on the accumulation under DCPS Fund.

During the year 2019-20, the employees’ and the Government’s contributions towards DCPS were ₹ 2,619.01 crore and ₹ 2,597.55 crore respectively indicating a shortfall in Government’s contribution by ₹ 21.46 crore. This has resulted in understatement of Revenue Deficit and Fiscal Deficit to that extent.

2.4.2.4 Subsidies

Subsidies are dispensed not only explicitly and booked under the object head ‘subsidies’, but also implicitly⁴ by providing subsidised public service to the people. The subsidies extended during the period 2015-20, as a *per cent* of Revenue Receipts and Revenue Expenditure are detailed in the **Table 2.22** below:

Table 2.22: Expenditure on subsidies during 2015-20

	2015-16	2016-17	2017-18	2018-19	2019-20
Subsidies (₹ in crore)	12,315	16,092	15,230	18,922	20,144
Subsidies as a percentage of Revenue Receipts	9.55	11.48	10.41	10.89	11.54
Subsidies as a percentage of Revenue Expenditure	8.73	10.50	9.07	9.60	9.57

(Source: Finance Accounts for the respective years)

A list of schemes for which the State Government provided subsidy during 2015-20 is given in **Table 2.23**

⁴ Subsidies which were not booked under the object head “11-Subsidies” under the relevant major head of account are “Implicit Subsidies”.

Table 2.23: List of schemes for which subsidy was given by the State Government

(₹ in crore)

Name of the scheme	2015-16	2016-17	2017-18	2018-19	2019-20
Social Safety Net - Food Security - Public Distribution System Support	5,300	5,500	6,000	7,989	8,363
Electricity - Compensation to Tamil Nadu Electricity Board (TNEB) due to reduction in tariff to domestic consumers	2,885	4,271	3,623	3,076	3,367
Value Added Tax Refund Subsidy for promotion of Industries	1,000	1,600	1,600	2,000	2,560
Reimbursement of social cost on student concessions in bus fares	480	505	541	764	1,275
Free distribution of handloom clothes to the people below poverty line	484	472	484	468	484
Payment to TNEB on behalf of Powerloom weavers	312	386	387	343	336
Subsidy to farmers for Agricultural inputs	--	1,626	81	1	183
Other subsidies schemes	1,854	1,732	2,514	4,281	3,576
Total	12,315	16,092	15,230	18,922	20,144

(Source: Finance Accounts for the respective years)

Subsidies increased by 6.46 per cent during the year. The schemes under “other subsidies” (₹ 3,576 crore) include ₹ 1,659 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., was on a decreasing trend from 2015-16 to 2018-19 (from ₹ 6,156 crore to ₹ 4,198 crore), but again increased by ₹ 628 crore during 2019-20 as detailed in **Table 2.23(a)**

Table 2.23(a): Major implicit subsidies given during 2015-20

Name of the scheme	Expenditure incurred (₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Free supply of grinders, mixies, fans, etc.	2,000	933	0	0	0
Marriage Assistance Scheme - Distribution of four gram gold coins for Thirumangalyam	630	721	718	739	709
Free supply of uniforms to school children	382	410	390	384	411
Free supply of bicycles to students studying in Standard XI and XII in Government/ Government aided Higher Secondary Schools	235	250	16	382	230
Free distribution of sheep/goat to the persons living below poverty line	194	29	194	193	193
Menstrual Hygiene Programme (Providing sanitary napkins free of cost to adolescent girls)	45	45	46	46	46
Free distribution of Milch cows to each family living below poverty line	42	14	48	47	47
Free distribution of laptops	1,100	511	641	144	1,372
Dr. Muthulakshmi Reddy Maternity Assistance Scheme	600	928	646	900	883
Chief Minister's Comprehensive Health Insurance Scheme	928	593	1,734	1,363	935
Total	6,156	4,434	4,433	4,198	4,826

(Source: Detailed Appropriation Accounts of the respective years)

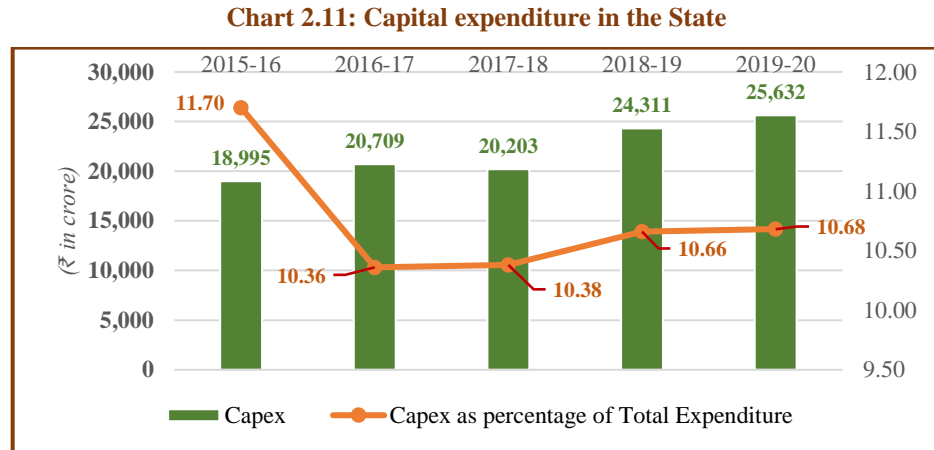
Though similar observations were made in the earlier Audit Reports, the Government continue to make provision under object heads other than ‘11-subsidies’, while operating such schemes.

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 ₹ 25,632 crore towards Capex, which increased by 5.4 per cent over the previous year. However, as a percentage of Total Expenditure, the increase was a meagre 0.02 per cent over the previous year. The trend in Capital expenditure during the period 2015-20 is shown in the **Chart 2.11** below.



(Source: Finance Accounts for the respective years)

2.4.3.1 Major changes in Capital Expenditure

The major changes in Capital expenditure during 2019-20 compared to 2018-19 is given in **Table 2.24** below.

Table 2.24: Major changes in Capital Expenditure

(₹ in crore)

Major Head	Description	2019-20	2018-19	Increase (+) / Decrease (-)
4217	Capital Outlay on Urban Development	2,840.93	4,433.28	(-) 1,592.35
4860	Capital Outlay on Consumer Industries	1.20	1,562.28	(-) 1,561.08
4515	Capital Outlay on other Rural Development Programmes	1,863.15	2,502.58	(-) 639.43
5054	Capital Outlay on Roads and Bridges	9,253.78	7,073.08	2,180.70
4801	Capital Outlay on Power Projects	763.60	194.58	569.02

(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’ – ₹ 1,085 crore, ‘State Highways’ – ₹ 497 crore and ‘Roads’ – ₹ 449 crore and under ‘4801 – Capital Outlay on Power Projects’ was towards ‘Investments under State Electricity Boards’ – ₹ 419 crore.

The decrease under ‘4217 - Capital Outlay on Urban Development’ was mainly due to decrease in expenditure under sub major heads ‘Other Urban Development Schemes’ - ₹ 1,194 crore and ‘State Capital Development’ - ₹ 330 crore.

The decrease under ‘4860 - Capital Outlay on Consumer Industries’ was mainly due to decrease towards investments in Public Sector and Other undertakings under the sub major head ‘Sugar’.

The decrease under '4515 - Capital Outlay on other Rural Development Programmes' was mainly due to decrease under the minor heads '102 - Community Development' and '103 - Rural Development'.

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 2019-20, the State Government as on March 2020 had invested ₹ 39,866 crore in two Statutory Corporations, 57 Government Companies, five Joint Stock Companies and 9,156 various Co-operatives.

The average rate of return on these investments was a meagre 0.49 *per cent* in the last five years (2015-16 to 2019-20) while the average rate of interest paid by the Government on its borrowings during the same period was 8.27 *per cent*. As at the end of March 2020, Government has invested ₹ 25,379.73 crore in two Statutory Corporations, ₹ 13,984.44 crore in 57 Government Companies, ₹ 0.73 crore in five Joint Stock Companies and ₹ 500.61 crore in 9,156 Co-operatives. The investments at the end of the year and the details of return on investment for the period 2015-20 is given in **Table 2.25**.

Table 2.25: Return on Investment

Investment/return/ cost of borrowings	2015-16	2016-17	2017-18	2018-19	2019-20
Investment at the end of the year (₹ in crore)	25,725	29,811	33,579	36,480	39,866
Borrowings at the end of the year (₹ in crore)	2,23,030	2,83,394	3,26,518	3,68,736	4,23,743
Return (₹ in crore)	156	185	153	135	160
Return (<i>per cent</i>)	0.61	0.62	0.46	0.37	0.40
Average rate of interest on Government Borrowings (<i>per cent</i>)	8.38	8.11	8.53	8.27	8.07
Difference between interest rate and return (<i>per cent</i>)	7.77	7.49	8.07	7.90	7.67
Difference between interest on Government borrowings and return on investment (₹ in crore) #	1,998.83	2,232.84	2,709.83	2,881.92	3,057.72

Investment at the end of the year X Difference between interest rate and return

(Source: Finance Accounts of the respective years)

During 2019-20, State Government invested ₹ 763.59 crore in a Statutory Corporation⁵ and ₹ 3,544.91 crore in eleven Government Companies.

⁵ Tamil Nadu Generation and Distribution Corporation Ltd.(TANGEDCO)

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 on March 2020, the Government has invested ₹ 6,116.80 crore in 20 loss making Companies / Corporations/ Co-operatives, out of which ₹ 736.02 crore has been invested in eight loss making Companies / Corporations/ Co-operatives during the current year as given in **Table 2.26** below:

Table 2.26: Investments made in loss making companies*(₹ in crore)*

Sl. No	Company/ Corporation	Investment made during the year 2019-20	Cumulative investment as on 31 March 2020	Cumulative loss as reported by the entity
1	Metropolitan Transport Corporation (Chennai) Limited (1972-2020)	72.03	822.03	5,078.36
2	Tamil Nadu State Transport Corporation (Salem) Limited (1972-2020)	9.55	531.70	3,369.81
3	Tamil Nadu State Transport Corporation (Madurai) Limited (2010-2020)	11.37	854.52	4,376.32
4	Tamil Nadu State Transport Corporation (Tirunelveli) Limited (2010-2020)	470.55	611.86	826.42
5	Tamil Nadu State Transport Corporation (Coimbatore) Limited (1990-2020)	91.47	984.07	4,743.97*
6	Tamil Nadu State Transport Corporation (Kumbakonam) Limited (1971-2020)	59.83	879.07	4,361.87
7	State Express Transport Corporation Tamil Nadu Limited (1984-2020)	20.72	354.70	2,727.03
8	Pallavan Transport Consultancy Services Limited (1984-2020)	0.50	0.60	2.19
	Total	736.02	5038.55	25485.97

* Relates to cumulative loss upto 2018-19 only

(Source: Finance Accounts)

It was further noticed that, investment has been made by the Government in Tamil Nadu Generation and Distribution Corporation (TANGEDCO) whose net worth is completely eroded. The net worth of the Company as on 31 March 2019, the investment made during the current year 2019-20 and the cumulative investment of Government in the Company is given below in **Table 2.26(a)**.

Table 2.26(a): Investment made in companies whose net worth is completely eroded*(₹ in crore)*

Company / Corporation	Net worth as on 31.03.2019	Investment made during the year	Cumulative investment as on 31 March 2020
Tamil Nadu Generation and Distribution Corporation Ltd.	(-) 68,160.02	763.59	25,375.93
Total	(-) 68,160.02	763.59	25,375.93

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

If the State Government keeps on investing in loss making Government companies, there are no chances of return on investment. Investments made in

companies which are loss making and those where net worth is eroded, affect the quality of capital expenditure.

Difference in figures of Government and PSUs

The State Public Sector Undertakings (SPSUs) in Tamil Nadu which consists of State Government Companies and Statutory Corporations are established to carry out activities of commercial nature keeping in view the welfare of the people. The figures in respect of investments as per the records of the PSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the PSUs concerned and the Finance Department should carry out reconciliation of the differences.

The position in this regard as on 31 March 2020 is given in **Table 2.26(b)**.

Table 2.26(b): Equity as per Finance Accounts vis-à-vis records of SPSUs

(₹ in crore)

Sl. No	Amount invested in	Amount as per		Difference
		Finance Accounts	SPSUs	
1	Share capital /Equity	9,784.75	11,161.95	1,377.20

(Source: Compiled based on information received from PSUs and Finance Accounts)

There were differences in respect of 55 companies / Corporations 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 Sugar Corporation Limited and (iii) Tamil Nadu Transport Development Finance Corporation Limited.

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 2.27 presents the outstanding loans and advances as on 31 March 2020 and interest receipts vis-à-vis interest payments during the last five years.

Table 2.27: Outstanding loans and advances

(₹ in crore)

Quantum of loans disbursed and recovered	2015-16	2016-17	2017-18	2018-19	2019-20
Opening balance of outstanding loans	19,604	21,251	43,749	41,794	41,359
Amount advanced during the year	2,331	26,046	6,517	6,478	4,022
Amount recovered during the year	684	3,548	8,472	6,913	5,384
Closing balance of outstanding loans	21,251	43,749	41,794	41,359	39,997
Net addition	1,647	22,498	(-) 1,955	(-) 435	(-) 1,362
Interest received	186	1,372	1,484	2,703	4
Interest receipts as a percentage of outstanding Loans and Advances given by the Government.	0.91	4.22	3.47	6.50	0.01
Average rate of Interest paid on the outstanding borrowings of the Government	8.38	8.11	8.53	8.27	8.07
Difference between the rate of interest paid and interest received (per cent)	7.47	3.89	5.06	1.77	8.06

(Source: Finance Accounts for the respective years)

- The recovery of loans and advances which was at ₹ 6,913 crore in 2018-19 reduced to ₹ 5,384 crore in 2019-20. This includes the conversion of TANGEDCO's loan of ₹ 4,563 crore as Grants-in-aid under UDAY scheme.
- Loans advanced during the year includes ₹ 2.67 crore relating to capitalisation of the interest dues from two loan recipient organisations and treating them as fresh loans through book adjustments.

Capital expenditure transferred to Reserve Funds

Capital expenditure (₹ 25,632 crore) as reported in the Finance Accounts depicts the net figures after adjusting (deducting) the amount (₹ 110.28 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 and 2019-20, the outstanding loan yet to be adjusted is ₹ 9,126.00 crore.

As the loan of ₹ 9,126 crore outstanding as of 31 March 2020 (₹ 22,815 crore - (₹ 4,563 crore x 3)) under UDAY would ultimately be waived off by GoTN, as shown in **Table 2.28**, by converting the loans into grants over the next two years, the entire sum was not an asset in its real sense, despite being depicted under loans and advances.

Table 2.28: 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

(Source: Finance Accounts for the respective years)

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 2.29** below:

Table 2.29: Expenditure priorities

(in per cent)

Ratios	AE/GSDP	CE/AE	CE on Education/AE	CE on Health/AE
General Category of States (GCS) Average (2015-16)	16.97	14.81	15.68	4.79
Tamil Nadu	13.80	11.70	16.15	5.14
General Category of States (GCS) Average (2019-20)	15.15	12.97	15.91	5.21
Tamil Nadu	13.01	10.68	16.20	5.13
Karnataka	12.35	16.93	12.64	4.37
Kerala	13.39	7.39	16.40	6.59

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

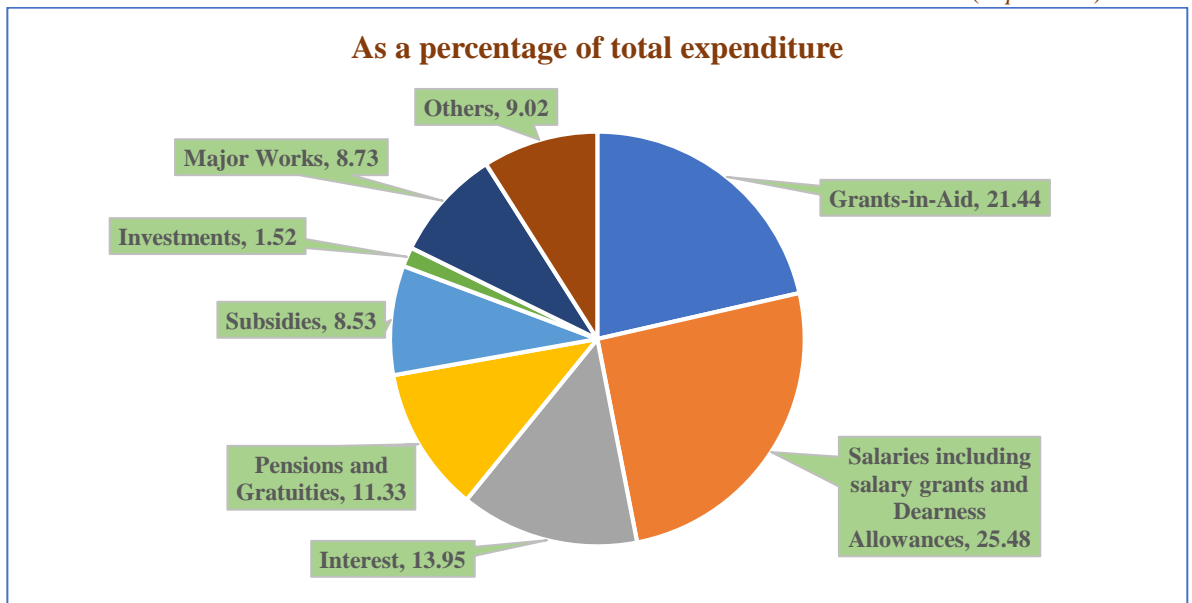
- The percentage of AE to GSDP was low in the State as compared to GCS but higher than its neighbouring State Karnataka.
- The Capital expenditure on Education as a percentage of AE during the year was higher than GCS and Karnataka.
- The Capital expenditure on Health as a percentage of AE was lower than GCS but higher than Karnataka.
- The percentage of overall Capital Expenditure to Aggregate Expenditure was less than GCS Average but higher than that of Kerala.

2.4.5 Object head wise expenditure

The Object head wise expenditure during the year is depicted in **Chart 2.12** below.

Chart 2.12: Object head wise expenditure

(in per cent)



(Source: Finance Accounts)

- While 50.76 per cent of the total expenditure was incurred towards salaries & allowances, pensionary payments and interest commitments, investments during the year was a meagre 1.52 per cent and the expenditure on major works stood at 8.73 per cent, indicating that more than half of the expenditure was towards committed expenditure.
- The expenditure on grants-in-aid and subsidies were 21.44 per cent and 8.53 per cent of the total expenditure respectively

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 2.30 below.

Table 2.30: Component-wise net Public Account balances as of 31 March of the year

(₹ in crore)

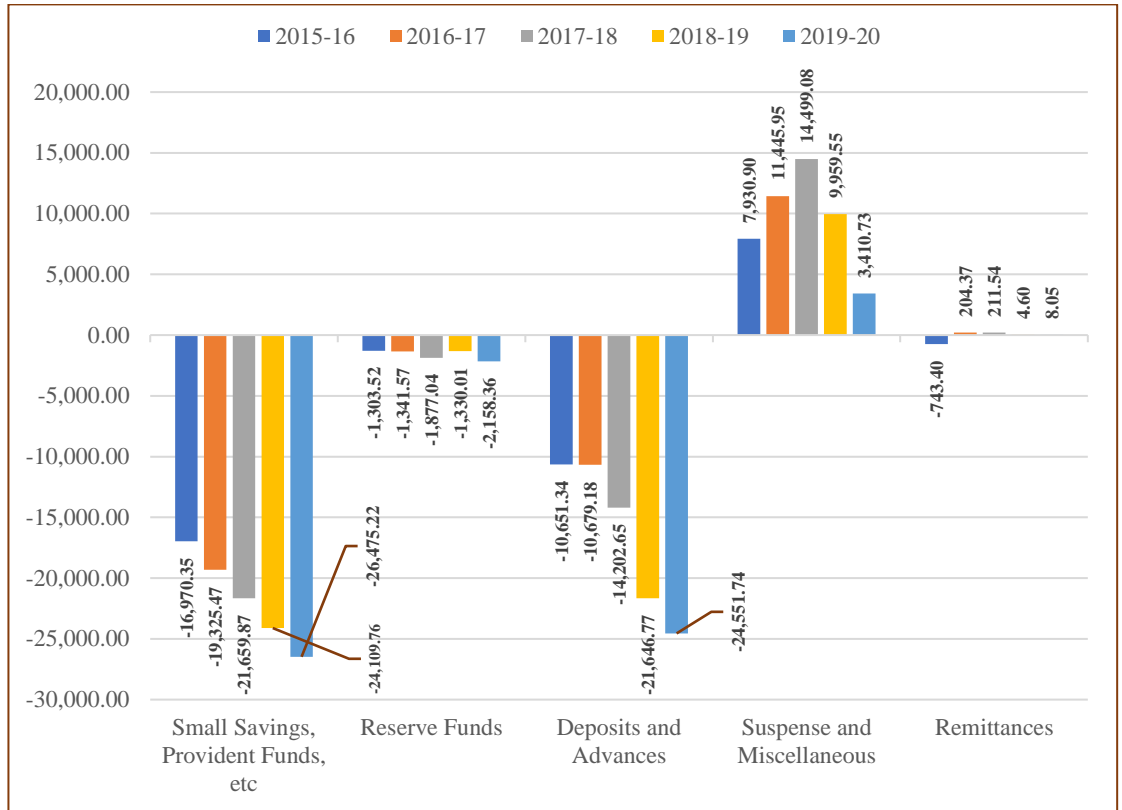
Sector	Sub-Sector	2015-16	2016-17	2017-18	2018-19	2019-20
I. Small Savings, Provident Funds, etc	Small Savings, Provident Funds, etc	(-) 16,970.35	(-) 19,325.47	(-) 21,659.87	(-) 24,109.76	(-) 26,475.22
J. Reserve Funds	(a) Reserve Funds bearing Interest	--	--	--	--	(-) 113.42
	(b) Reserve Funds not bearing Interest	(-) 1,303.52	(-) 1,341.57	(-) 1,877.04	(-) 1,330.01	(-) 2,044.94
K. Deposits and Advances	(a) Deposits bearing Interest	(-) 2,901.79	(-) 2,581.33	(-) 4,128.42	(-) 8,008.32	(-) 9,323.98
	(b) Deposits not bearing Interest	(-) 7,758.58	(-) 8,106.84	(-) 10,083.23	(-) 13,646.16	(-) 15,235.43
	(c) Advances	9.03	8.99	9.00	7.71	7.67
L. Suspense and Miscellaneous	(b) Suspense	(-) 624.97	(-) 134.35	(-) 121.00	(-) 141.69	(-) 283.10
	(c) Other Accounts	8,554.63	11,579.06	14,618.84	10,100.00	3,692.59
	(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	(-) 748.58	197.20	199.04	(-) 0.50	(-) 0.51
	(b) Inter-Governmental Adjustment Account	5.18	7.17	12.50	5.10	8.56
Total		(-) 21,737.71	(-) 19,695.90	(-) 23,028.94	(-) 37,122.39	(-) 49,766.54

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

(Source: Finance Accounts for the respective years)

Chart 2.13: 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 ₹ 37,122.39 crore in 2018-19 to ₹ 49,766.54 crore in 2019-20.
- 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 25 Reserve Funds earmarked for specific purposes, out of which two Reserve Funds were inoperative for two and ten years. The total accumulated balance as on 31 March 2020 under Reserve Funds was ₹ 16,995.52 crore (includes ₹ 23.61 crore in inoperative 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 ₹ 509.88 crore to the Fund, which works out to only 0.14 *per cent* of the outstanding liabilities of ₹ 3,68,736.16 crore as on 1 April 2019.

Thus, there was a short contribution of ₹ 1,333.80 crore (₹ 1,843.68 crore minus ₹ 509.88 crore)

As on 31 March 2020, CSF had a balance of ₹ 6,938.95 crore, of which ₹ 6,642.99 crore was invested in GoI securities.

The interest earned on the investments made during the year was ₹ 509.88 crore. The rate of return on investments made from the fund during the year was 7.99 *per cent*.

Due to the increased trend in the liabilities, the Government may initiate contributing more to this fund to tide over the future commitments adequately.

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 2019-20, the State Government transferred ₹ 707.10 crore to SDRF Account towards natural calamities (Central Share of ₹ 500.85 crore and State share of ₹ 206.25 crore).

The details of expenditure charged to SDRF is given below in **Table 2.31**.

Table 2.31: Details of expenditure charged to SDRF

(₹ in crore)

Major Head of Account	Minor Head of Account	Expenditure during 2019-20
2245- Relief on Account of Natural Calamities - 01- Drought.	101 - Gratuitous Relief	183.42
	102 - Drinking Water supply	281.86
	800 - Other Expenditure	0.02
	911 - Deduct-Recoveries of Overpayments	(-) 2.22
	Sub Total	463.08
2245- Relief on Account of Natural Calamities - 02- Floods, Cyclones etc.	101 - Gratuitous Relief	19.36
	106 - Repairs and Restoration of Damaged Roads and Bridges	0.13
	111 - Ex-Gratia payment to bereaved families	7.83
	113 - Assistance for repairs / reconstruction of houses	5.77
	114 - Assistance to Farmers for purchase of Agricultural inputs	19.71
	117 - Assistance to Farmers for purchase of livestock	0.04
	118 - Assistance for repairs / replacement of damaged boats and equipment for fishing	36.23
	122 - Repairs and Restoration of Damaged Irrigation and Flood control works	0.27
	190 - Assistance to Public Sector and Other undertakings	14.26
	191 - Assistance to Municipal Corporations	7.25
	192 - Assistance to Municipalities / Municipal Councils	0.83
	193 - Assistance to Nagar Panchayats / Notified Area Committees or equivalent thereof	1.56
	282 - Public Health	8.78
	800 - Other Expenditure	127.42
911 - Deduct-Recoveries of Overpayments	(-) 22.21	
Sub Total	227.23	
2245- Relief on Account of Natural Calamities - 80 - General	800 - Other Expenditure	167.51
	Sub-Total	167.51
	Grand Total	857.82
05 - State Disaster Response Fund	901- Deduct - Amount met from State Disaster Response Fund	(-) 707.10

(Source: Appropriation Accounts)

The State Government spent (₹ 857.82 crore) during the year, which was much more than the amount transferred to the fund (₹ 707.10 crore). Hence, the balance in the fund was 'Nil' as on 31 March 2020.

2.5.2.3 Guarantee Redemption Fund

State Government constitutes '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.

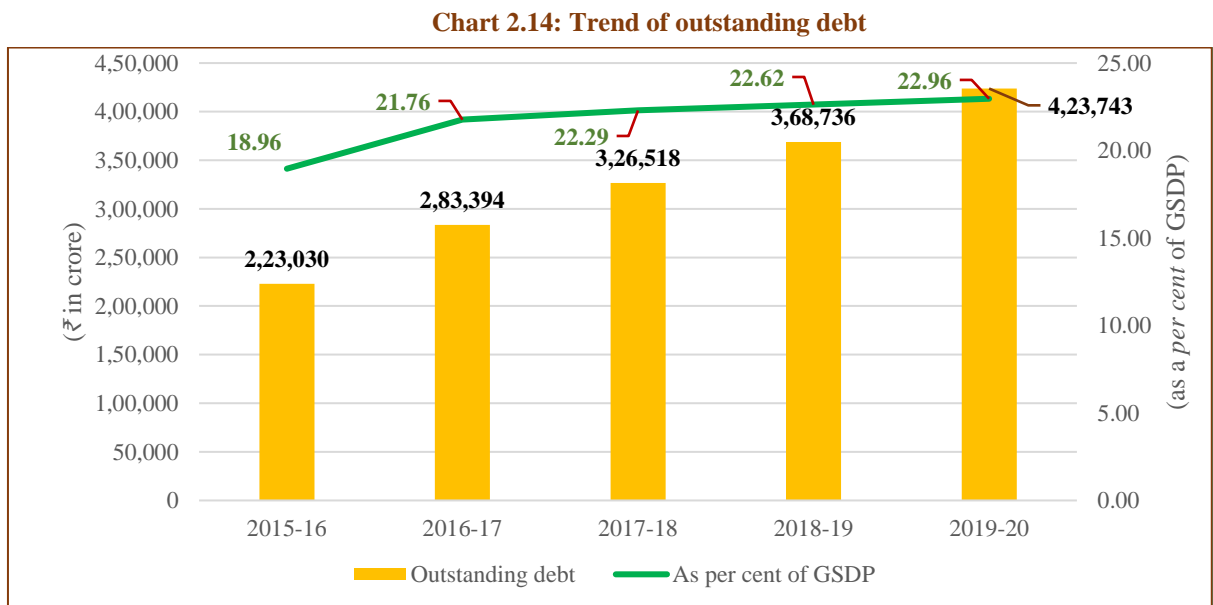
The Guarantee Redemption Fund (GRF) was constituted in March 2003 for meeting the expenditure incurred towards discharging the guarantees invoked and is administered by the Reserve Bank of India. As per the guidelines of the GRF scheme in Tamil Nadu, which was issued based on the advice of the Reserve Bank of India, the State Government is to contribute a minimum of 1 *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 ₹ 218.31 crore (0.50 *per cent* of outstanding guarantees of ₹ 43,661.08 crore as on 1 April 2019). During the year, the State Government contributed ₹ 278.61 crore. The closing balance as on 31 March 2020 as ₹ 700.94 crore out of which ₹ 639.98 crore was invested in treasury bills. The gain on sale of securities during the year was ₹ 27.42 crore. The rate of return on investments made from the fund during the year was 5.98 *per cent*. No guarantees were invoked during 2019-20.

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 2015-16 to 2019-20 is given in **Chart 2.14**.



(Source: Finance Accounts for the respective years)

2.6.1 Debt profile: Components

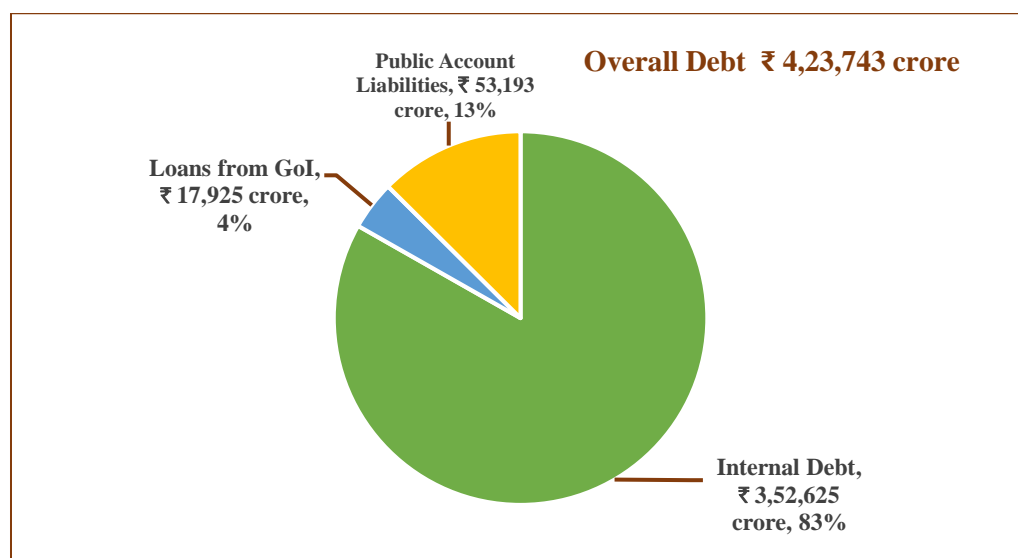
Total debt of the State Government typically constitutes internal debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, etc.), loans and advances from the Central Government and Public Account Liabilities. The component-wise debt trends is given in **Table 2.32** and breakup of outstanding debt at the end of 2019-20 is shown in **Chart 2.15**.

Table 2.32: Component wise debt trends

	2015-16	2016-17	2017-18	2018-19	2019-20	
Outstanding Debt	2,23,030	2,83,394	3,26,518	3,68,736	4,23,743	
Public Debt (₹ in crore)	Internal Debt	1,80,693	2,37,701	2,72,634	3,04,350	3,52,625
	Loans from GoI	13,403	14,338	16,135	17,292	17,925
Public Account Liabilities (₹ in crore)	28,934	31,355	37,749	47,094	53,193	
Rate of growth of outstanding debt (percentage)	16.25	27.07	15.22	12.93	14.92	
Gross State Domestic Product (GSDP) (₹ in crore)	11,76,500	13,02,639	14,65,051	16,30,208	18,45,853	
Debt/GSDP (per cent)	18.96	21.76	22.29	22.62	22.96	
Total Debt Receipts (₹ in crore)	1,21,368	1,52,903	1,62,088	1,63,335	1,87,208	
Total Debt Repayments (₹ in crore)	90,185	91,539	1,18,964	1,21,117	1,32,202	
Total Debt Available (₹ in crore)	31,183	61,364	43,124	42,218	55,006	
Debt Repayments/Debt Receipts (per cent)	74.31	59.87	73.39	74.15	70.62	

(Source: Finance Accounts for the respective years)

Chart 2.15: Break up of Outstanding Debt at the end of the Financial Year 2019-20



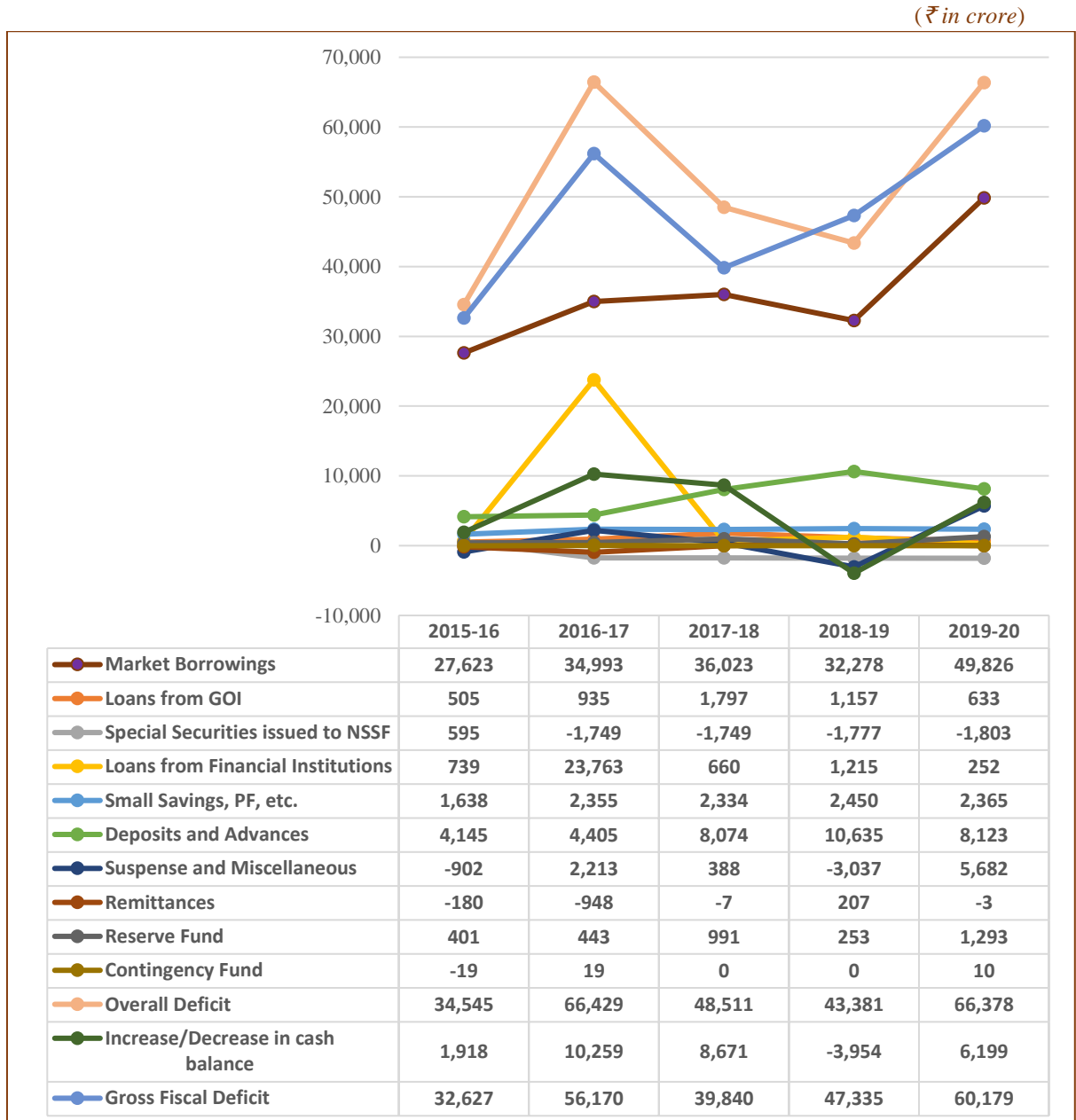
(Source: Finance Accounts)

- The internal debt of the Government increased by 15.86 per cent from ₹ 3,04,350 crore at the end of 2018-19 to ₹ 3,52,625 crore at the end of 2019-20.
- During the year 2019-20, Open Market Loans (one security at 7.59 per cent, six securities at 6.97 per cent, two securities at 7.11 per cent, two securities at 6.70 per cent, one security at 6.50 per cent, one security at 6.90 per cent, one security at 7.20 per cent, one security at 7.19 per cent, one security at 7.15 per cent, one security at 7.05 per cent, one security

at 7.17 per cent and one security at 6.94 per cent interest) were raised through the RBI by the State Government to the extent of ₹ 20,790 crore by re-issue of existing Government Securities which has resulted in allowing discount amount of ₹ 190.89 crore apart from interest liability of ₹ 19,366.96 crore to be discharged till the time of redemption of loan in 2050.

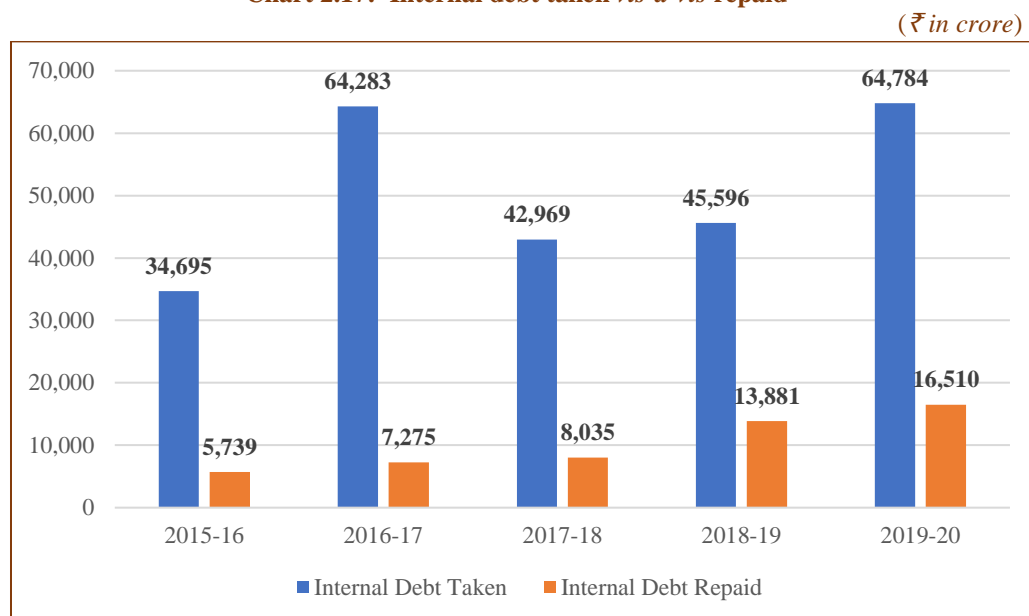
The component-wise debt trends and the repayments of internal debt *vis-à-vis* internal debt taken are shown below in **Charts 2.16 and 2.17**.

Chart 2.16: Component wise debt trends



(Source: Finance Accounts for the respective years)

Chart 2.17: Internal debt taken vis-à-vis repaid



(Source: Finance Accounts for the respective years)

The components of Fiscal deficit and the financing pattern of the deficit is shown in **Table 2.33** and Financing of fiscal deficit expressed through a water fall chart is shown in **Chart 2.18**.

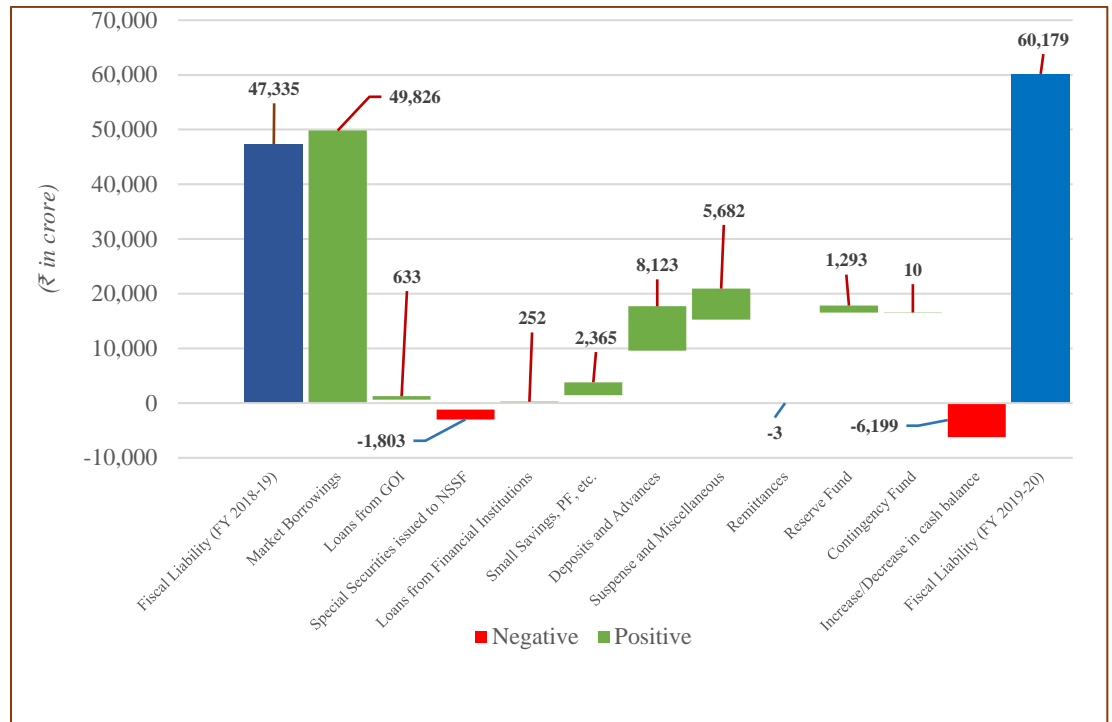
Table 2.33: Components of fiscal deficit and its financing pattern

(₹ in crore)

Particulars		2015-16	2016-17	2017-18	2018-19	2019-20
Composition of Fiscal Deficit		32,627	56,170	39,840	47,335	60,179
1	Revenue Deficit	11,985	12,964	21,594	23,459	35,909
2	Net Capital Expenditure	18,995	20,708	20,201	24,311	25,632
3	Net Loans and Advances	1,647	22,498	(-) 1,955	(-) 435	(-) 1,362
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	27,623	34,993	36,023	32,278	49,826
2	Loans from GOI	505	935	1,797	1,157	633
3	Special Securities issued to NSSF	595	(-) 1,749	(-) 1,749	(-) 1,777	(-) 1,803
4	Loans from Financial Institutions	739	23,763	660	1,215	252
5	Small Savings, PF, etc.	1,638	2,355	2,334	2,450	2,365
6	Deposits and Advances	4,145	4,405	8,074	10,635	8,123
7	Suspense and Miscellaneous	(-) 902	2,213	388	(-) 3,037	5,682
8	Remittances	(-) 180	(-) 948	(-) 7	207	(-) 3
9	Reserve Fund	401	443	991	253	1,293
10	Contingency Fund	(-) 19	19	--	--	10
11	Overall Deficit	34,545	66,429	48,511	43,381	66,378
12	Increase/Decrease in cash balance	1,918	10,259	8,671	(-) 3,954	6,199
13	Gross Fiscal Deficit	32,627	56,170	39,840	47,335	60,179

(Source: Finance Accounts for the respective years)

Chart 2.18: Financing of fiscal deficit expressed through a water fall chart



(Source: Finance Accounts)

The details of receipts and disbursements financing the fiscal deficit component-wise is during the year is shown in **Table 2.34**.

Table 2.34: Receipts and Disbursements under components financing the fiscal deficit

(₹ in crore)

Sl. No	Particulars	Receipt	Disbursement	Net
1	Market Borrowings	62,425	12,599	49,826
2	Loans from GOI	1,990	1,357	633
3	Special Securities issued to NSSF	--	1,803	(-) 1,803
4	Loans from Financial Institutions	2,360	2,108	252
5	Small Savings, PF, etc.	9,028	6,662	2,366
6	Deposits and Advances	48,689	40,566	8,123
7	Suspense and Miscellaneous	2,00,515	1,94,833	5,682
8	Remittances	--	3	(-) 3
9	Reserve Fund	3,251	1,959	1,292
10	Contingency Fund	10	--	10
11	Total / Overall Deficit	3,28,268	2,61,890	66,378
12	Cash balance	49,428	43,229	6,199
13	Total / Gross Fiscal Deficit	2,78,840	2,18,661	60,179

(Source: Finance Accounts)

2.6.2 Debt profile: Maturity and Repayment

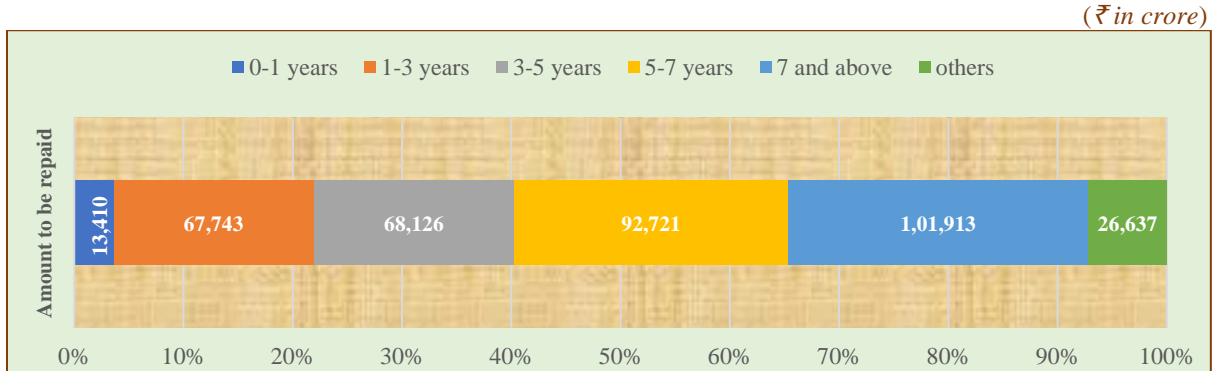
Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. The details of debt and the debt repayment period is shown in **Table 2.35** and **Chart 2.19**.

Table 2.35: Debt Maturity profile of repayment of State debt

Period of repayment (Years)	Amount (₹ in crore)	Percentage (w.r.t. Public debt)
0 – 1	13,410	3.62
1 – 3	67,743	18.28
3 – 5	68,126	18.38
5 – 7	92,721	25.02
7 and above	1,01,913	27.50
Others ⁶	26,637	7.20
Total	3,70,550	100.00

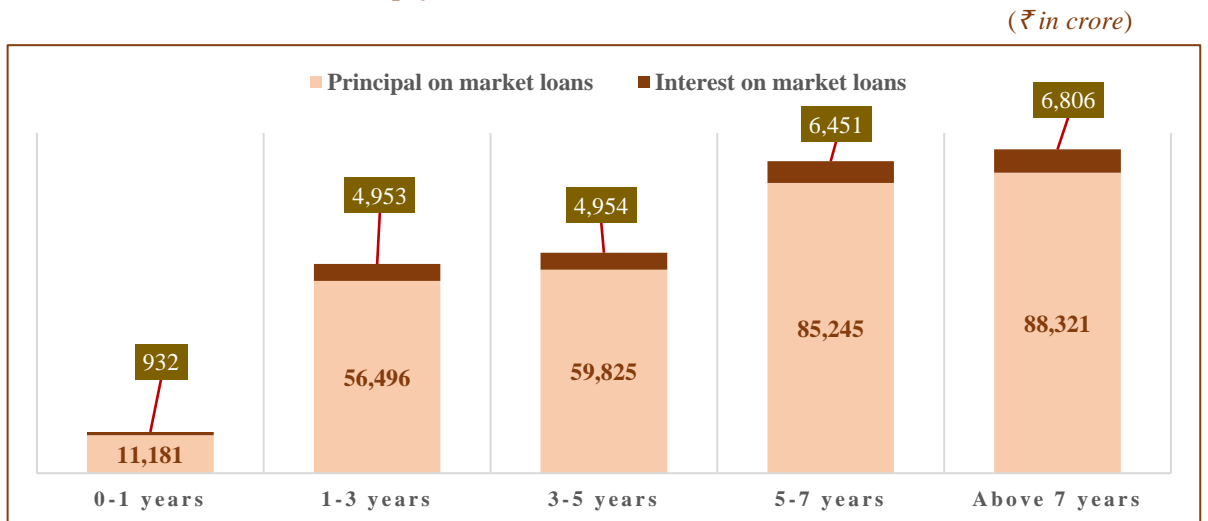
(Source: Finance Accounts)

Chart 2.19: Debt Maturity Profile



(Source: Finance Accounts)

Chart 2.20: Repayment Schedule of market loans



(Source: Finance Accounts)

⁶ Payment schedule of this amount is not being maintained by the Accountant General (A&E).

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).

The trends in debt sustainability indicators for the period 2015-16 to 2019-20 is shown below in **Table 2.36** and **Chart 2.21**.

Table 2.36: Trends in debt Sustainability indicators

Debt Sustainability Indicators	2015-16	2016-17	2017-18	2018-19	2019-20
Outstanding Public Debt* (₹ in crore)	1,94,096	2,52,039	2,88,769	3,21,642	3,70,550
Rate of Growth of Outstanding Public Debt (per cent)	17.90	29.85	14.57	11.38	15.21
GSDP (₹ in crore)	11,76,500	13,02,639	14,65,051	16,30,208	18,45,853
Rate of Growth of GSDP (per cent)	9.68	10.72	12.47	11.27	13.23
Public Debt*/GSDP (per cent)	16.50	19.35	19.71	19.73	20.07
Debt Maturity profile of repayment of State debt – including default history, if any					
Average Interest Rate of Outstanding Public Debt (per cent)	8.18	7.73	8.01	7.97	7.71
Percentage of Interest payment to Revenue Receipt	13.48	14.64	17.78	16.55	18.32
Percentage of Debt Repayment to Debt Receipt	18.31	12.4	19.66	31.43	26.76
Net Debt available to the State# (₹ in crore)	14,780	40,704	15,064	8,562	22,218
Net Debt available as per cent to Debt Receipts	40.98	61.54	32.95	17.86	33.27
Debt Stabilisation (Quantum spread ^{\$} + Primary Deficit) (₹ in crore)	(-) 12,742	(-) 29,816	(-) 2,662	(-) 8,782	(-) 9,172

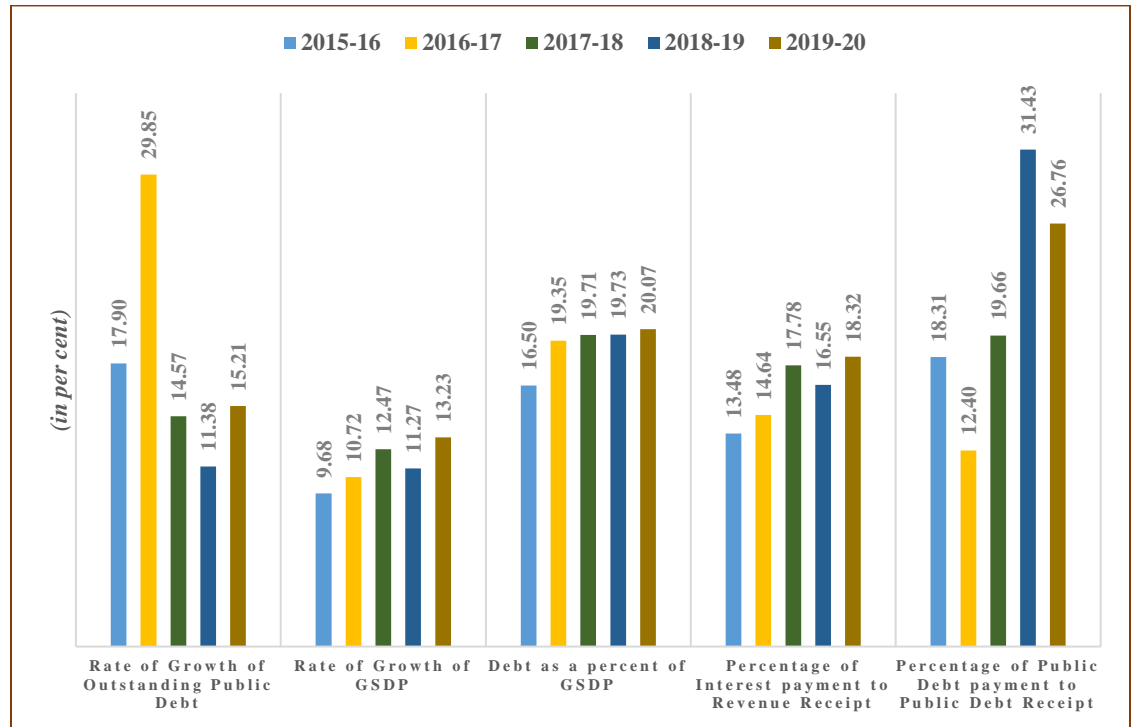
*Outstanding Public Debt is the sum of outstanding balances under the heads 6003-Internal Debt and 6004- Loans and Advances from the Central Government.

#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.

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

(Source: Finance Accounts for the respective years)

Chart 2.21: Trends of Debt Sustainability indicators



(Source: Finance Accounts for the respective years)

- 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 reissue of market loans by the Government (₹ 20,970 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 2015-16 to 2019-20 is shown in **Table 2.37** and **Chart 2.22**.

Table 2.37: Utilisation of borrowed funds

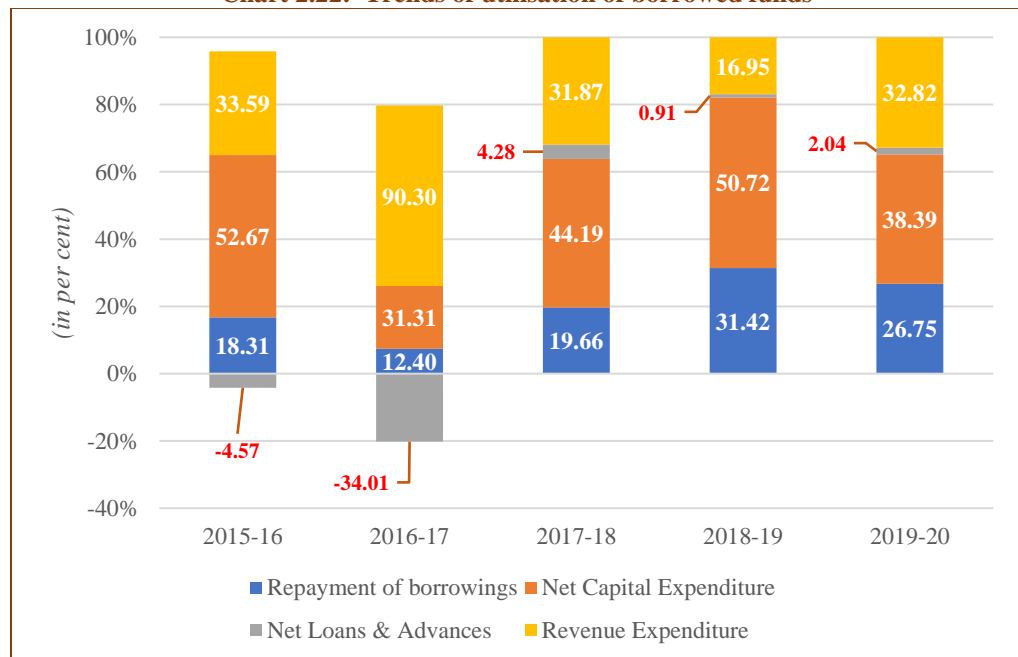
(₹ in crore)

Year		2015-16	2016-17	2017-18	2018-19	2019-20
Total Borrowings (Public Debt)	A	36,066	66,143	45,722	47,936	66,774
Repayment of earlier borrowings (Principal) (percentage)	B	6,605 (18.31)	8,200 (12.40)	8,991 (19.66)	15,064 (31.43)	17,866 (26.76)
Net capital expenditure (percentage)	C	18,995 (52.67)	20,709 (31.31)	20,203 (44.19)	24,311 (50.72)	25,632 (38.39)
Net loans and advances	D	(-) 1,647	(-) 22,498	1,955	435	1,362
Portion of Revenue expenditure met out of net available borrowings	E = A - B - C - D	12,113	59,732	14,573	8,126	21,914

(Source: Finance Accounts for the respective years)

- The total borrowings increased by 39.30 per cent during the year.
- The revenue expenditure met out of the net available borrowings increased by 169.68 per cent.

Chart 2.22: 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 ₹ 47,318.87 crore as on 31 March 2020. This constituted 27.24 per cent of the total revenue receipts of 2018-19 (₹ 1,73,741.16 crore) and 2.56 per cent of the GSDP (₹ 18,45,853 crore at current prices). No guarantee was invoked during the year. Further, as against the estimated receivable Guarantee Fees of ₹ 1,498.83 crore, Guarantee Fees received by the Government was ₹ 278.61 crore. Thus, there was a short collection of Guarantee Fees to the tune of ₹ 1,220.22 crore.

The details of outstanding guarantees given by the Government during the period 2015-16 to 2019-20 is given below in **Table 2.38**

Table 2.38: Guarantees given by the State Government

(₹ in crore)

Guarantees	2015-16	2016-17	2017-18	2018-19	2019-20
Ceiling applicable to the outstanding amount of guarantees including interest (Criteria)	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. 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				
Outstanding amount of guarantees including interest	51,586	29,540	36,131	44,163	47,319

(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 ₹ 2,475 crore with effect from 1 February 2016. 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 2019-20 and no WMA/ SWMA/ OD was availed during the year.

The details of cash balance and their investments during the year 2019-20 is shown in **Table 2.39** below:

Table 2.39: Cash Balances and their investment

(₹ in crore)

	Opening balance on 1 April 2019	Closing balance on 31 March 2020
A. General Cash Balance		
Cash in treasuries	--	--
Deposits with Reserve Bank of India	(-) 459.88	923.33
Deposits with other Banks	--	--
Remittances in transit – Local	16.80	16.80
Total	(-) 443.08	940.13
Investments held in Cash Balance investment account	11,008.09	10,141.94
Total (A)	10,565.01	11,082.07
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	8.41	8.40
Investment in earmarked funds	32,651.59	38,334.06
Total (B)	32,664.16	38,346.62
Total (A + B)	43,229.17	49,428.69
Interest realized	6,875.21	4,355.50

(Source: Finance Accounts)

Cash Balances (and its investments) of the State Government at the end of the current year increased significantly by ₹ 6,199 crore from ₹ 43,229 crore in 2018-19 to ₹ 49,428 crore in 2019-20. This was mainly due to increase in investment in earmarked funds by ₹ 5,682 crore from ₹ 32,652 crore in 2018-19 to ₹ 38,334 crore in 2019-20.

The State Government has earned an interest of ₹ 301 crore during 2019-20 from the investments made in GoI Securities and Treasury Bills. Out of the investment of ₹ 38,334 crore in earmarked funds, ₹ 6,643 crore was invested in the Consolidated Sinking Fund and ₹ 640 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 2015-16 to 2019-20 are shown in **Table 2.40** and **Chart 2.23** and the month wise movement of cash balances and net cash balance investments during the year is shown in **Chart 2.24**.

Table 2.40: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

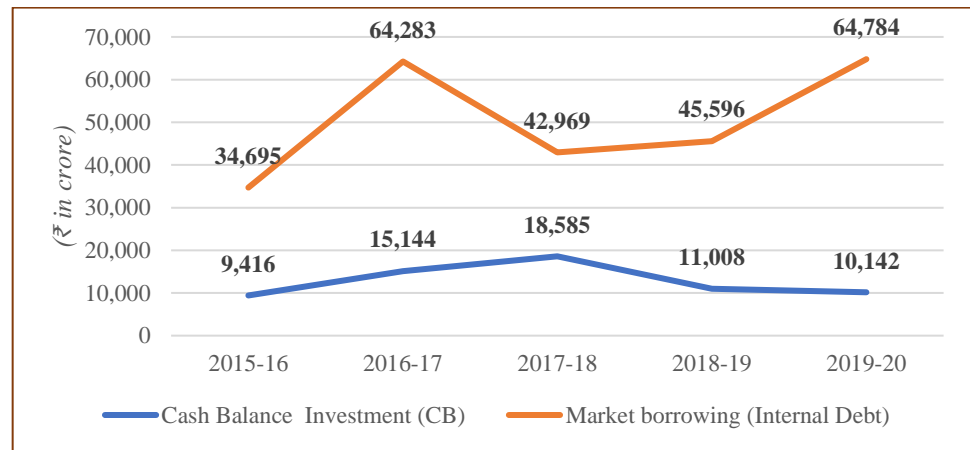
Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
2015-16	11,964.07	9,415.86	(-) 2,548.21	487.51
2016-17	9,415.86	15,144.29	5,728.43	521.57
2017-18	15,144.29	18,585.03	3,440.74	564.26
2018-19	18,585.03	11,008.09	(-) 7,576.94	729.20
2019-20	11,008.09	10,141.94	(-) 866.15	300.72

(Source: Finance Accounts for the respective years)

The trend analysis of the cash balance investment of the State Government during 2015-20 revealed that investment increased significantly during 2016-17 and 2017-18. However, the investment reduced by ₹ 7,577 crore to the end of 2018-19 and further reduced by ₹ 866 crore during 2019-20 and stood at ₹ 10,142 crore at the end of the current year.

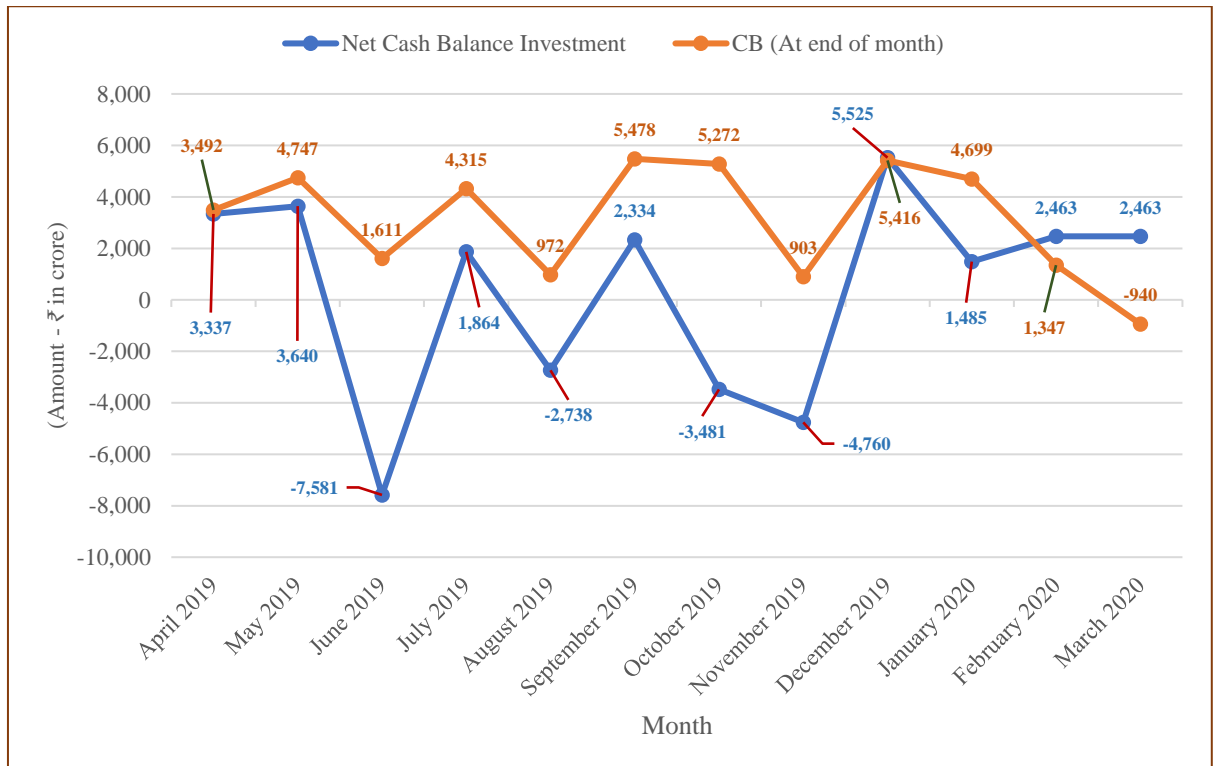
Chart 2.23 compares the balances available in the Cash Balance Investment Account and the Market Loans taken by the State during the period 2015-20. Market Loans were taken at higher interest rates whereas investment in Treasury Bills yielded interest at lower rates.

Chart 2.23: Market loans vis-à-vis Cash Balance



(Source: Finance Accounts for the respective years)

Chart 2.24: Month wise movement of Cash Balances and net cash balance investments during the year



(Source: Finance Accounts)

2.8 Conclusion and recommendations

State's Own Resources:

Own tax revenue: The annual growth rate of own tax revenue during 2019-20 stood at 1.83 *per cent*, which was less than the average growth rate (2.12 *per cent*) of the GCS.

Own tax revenue as a percentage of GSDP of the State during 2019-20 was 5.82 as compared to its neighbouring States of Karnataka and Kerala which were 6.03 *per cent* and 5.89 *per cent* respectively.

Non-tax revenue: The non-tax revenue of the State decreased by ₹ 1,312 crore in 2019-20 over the previous year. As a proportion of the State's own resources, the non-tax revenue which stood at 11.86 *per cent* in 2018-19 decreased to 10.71 *per cent* in 2019-20.

While the compound annual growth rate (CAGR) of non-tax revenue of the State was higher (14.97 *per cent*) when compared to GCS (11.19 *per cent*) during 2010-19, it turned negative {(-) 9.24 *per cent*} during 2019-20. CAGR of General Category State was much higher (23.44 *per cent*) during the year.

State's performance in mobilization of resources: State's own tax revenue receipts during 2019-20 fell considerably short of the target fixed under FFC, Budget and MTFP. Though, the non-tax revenue exceeded the target fixed in the MTFP, it fell short of the targets fixed under FFC and Budget. The State's own tax revenue was less by 14.78 *per cent* 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 2015-20 between 26.00 *per cent* in 2015-16 to 6.71 *per cent* in 2019-20. During 2019-20, although Revenue Expenditure witnessed a marginal increase of ₹ 13,234 crore (6.71 *per cent*) over the previous year, it declined as a percentage of GSDP from 12.10 *per cent* in 2018-19 to 11.40 *per cent* during the current year.

Capital expenditure: The Government has invested ₹ 5,504.94 crore in loss making Companies / Corporations/ Co-operatives, of which ₹ 265.47 crore has been invested during the current year.

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

(Paragraphs 2.4.2 and 2.4.3)

Undischarged liabilities in National Pension System: The State Government, even after a lapse of 16 years from the inception of the New Pension Scheme viz., Defined Contributory Pension Scheme (DCPS), has not designated a Fund Manager.

During the year 2019-20, the employees' and the Government's contributions towards DCPS were ₹ 2,619.01 crore and ₹ 2,597.55 crore respectively indicating a shortfall in Government's contribution by ₹ 21.46 crore.

Recommendation: *The State Government should take immediate action to designate a Fund Manager and ensure that there is no shortfall in the matching contribution towards DCPS.*

(Paragraph 2.4.2.3)

Short Contribution to Consolidated Sinking Fund: During the year, the State Government contributed ₹ 509.88 crore to the Fund, which works out to only 0.14 per cent rate against the rate of 0.5 per cent of the outstanding liabilities of ₹ 3,68,736.16 crore as on 1 April 2019 resulting in a short contribution of ₹ 1,333.80 crore (₹ 1,843.68 crore minus ₹ 509.88 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.*

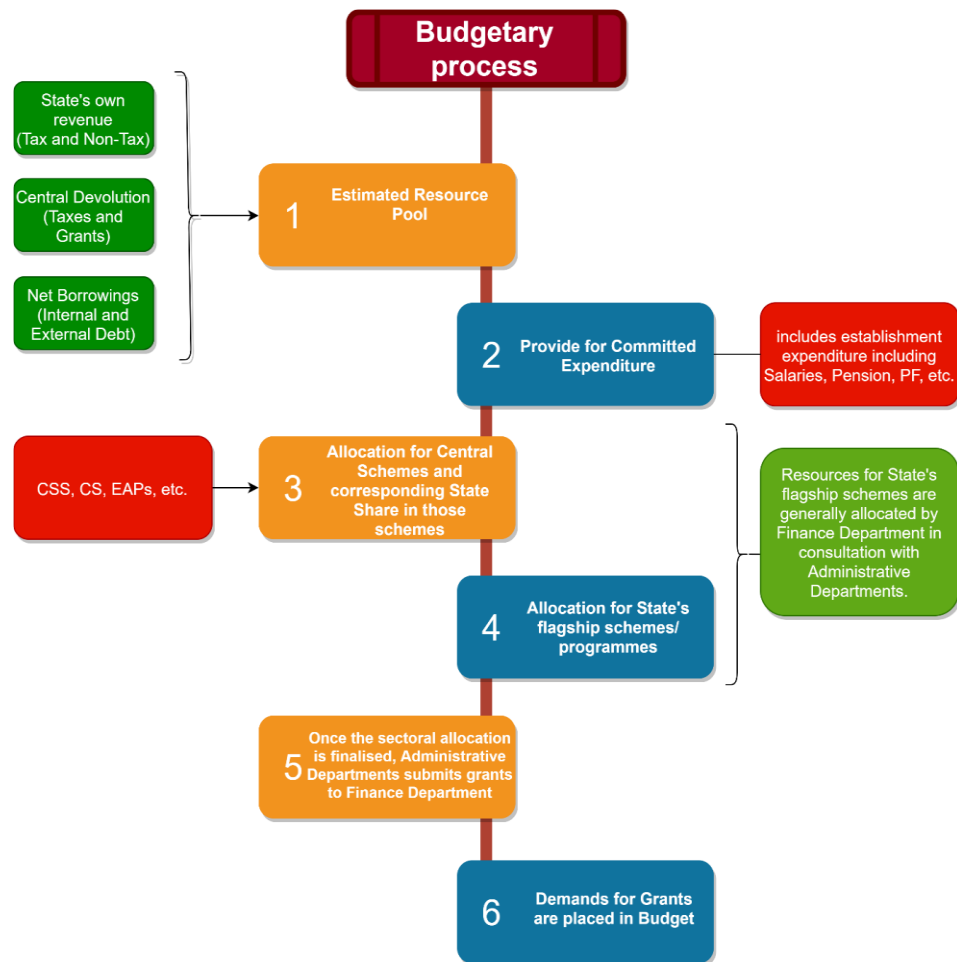
(Paragraph 2.5.2.1)

CHAPTER – 3
BUDGETARY
MANAGEMENT

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.

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.

Apart from supplementary grant, re-appropriation can also 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.

3.1.1 Summary of total provisions, actual disbursement and savings / excess during 2019-20

A summarised position of total budget provision, disbursement and saving/excess with its further bifurcation into voted/charged during the year 2019-20 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
2,36,358	51,995	2,10,349	50,911	(-) 26,951	(-) 1,084	(+) 942	Nil

(Source: Appropriation Accounts)

The overall savings of ₹ 28,035 crore shown above, when offset by excess of ₹ 942 crore in certain grants/appropriations, works out to net savings of ₹ 27,093 crore as given below in **Table 3.2**.

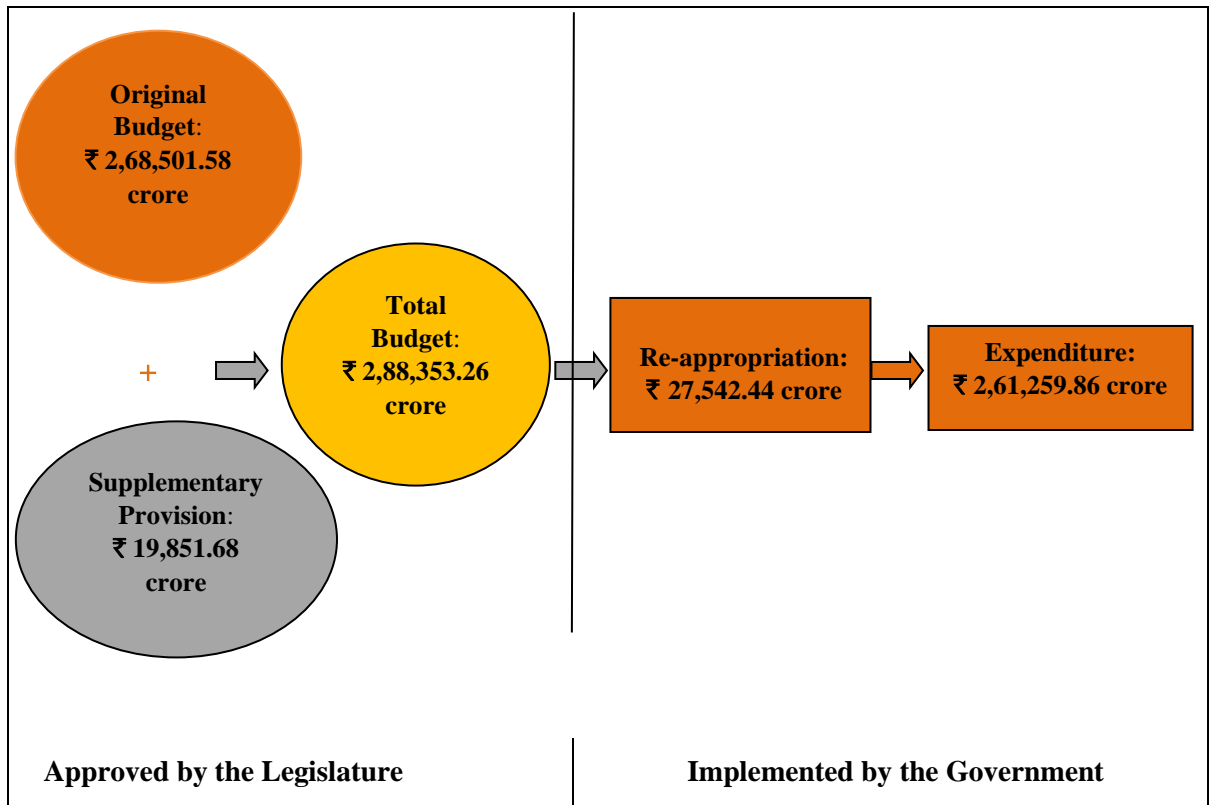
Table 3.2: Grants and Appropriations with excesses and savings

Description	Savings				Excess				Net savings
	Revenue	Capital	Loans	Total amount (₹ in crore)	Revenue	Capital	Loans	Total amount (₹ in crore)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10) = (5)-(9)
Grants	51	42	31	28,035.40	3	-	2	942.00	27,093.40
Appropriations	54	5	1		-	-	-		

(Source: Appropriation Accounts for the year 2019-20)

The total amount approved by the State Legislature including the original and supplementary budgets, re-appropriations and expenditure during the year 2019-20 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 2015-16 to 2019-20 are given below in **Table 3.3**.

Table 3.3: Trend of Savings/Excess

Year	Provisions		Disbursements		Net savings (-)	
	Voted	Charged	Voted	Charged	Voted	Charged
2015-16	1,70,180	25,734	1,48,658	24,630	(-) 21,521 (13)	(-) 1,104 (4)
2016-17	2,04,058	29,609	1,82,208	29,434	(-) 21,850 (11)	(-) 176 (1)
2017-18	1,98,227	38,574	1,72,362	36,260	(-) 25,865 (13)	(-) 2,314 (6)
2018-19	2,21,168	46,825	2,03,324	44,846	(-) 17,844 (8)	(-) 1,980 (4)
2019-20	2,36,358	51,995	2,10,349	50,910	(-) 26,009 (11)	(-) 1,084 (2)

Figures in parenthesis indicate per cent

(Source: Appropriation Accounts for the respective years)

Total disbursement of voted grant increased by 41.50 per cent from ₹ 1,48,658 crore in 2015-16 to ₹ 2,10,349 crore in 2019-20. Total disbursement of charged appropriations increased by 106.70 per cent from ₹ 24,630 crore in 2015-16 to ₹ 50,910 crore in 2019-20.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of voted¹ grants and charged² 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.

3.3.1 Expenditure incurred without authority of law

3.3.1.1 Expenditure incurred without Final Modified Appropriation (FMA)

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. 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 30 cases, a total expenditure of ₹ 130.71 crore was incurred without FMA wherein no provision was made either in the original / supplementary / re-appropriation or provision was withdrawn through re-appropriation, but expenditure was incurred which led to unauthorised expenditure 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

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.

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 ₹ 1.80 crore was incurred through re-appropriation³ without appropriation by the Legislature either in the Original or Supplementary estimates as detailed below in **Table 3.4**.

Table 3.4: Expenditure without Original and Supplementary provision
(₹ in lakh)

Grant No.	Heads	Total Grant (Re-Appropriation)	Actual Expenditure
6	2403.00.794.C. SA	2.45	2.45
9	2225.80.101.A. BA	0.36	0.28
16	2075.00.800.A. JG	17.48	16.69
29	4202.04.106.A. JZ	82.23	82.22
29	4202.04.106.C. SA	44.25	44.24
40	4701.03.280.A. PA	0.62	0.19
40	2701.03.204.A. AY	1.01	5.13
40	2711.01.800.A. AY	0.42	0.44
40	4701.01.201.A. JA	13.50	13.47
40	4701.03.242.A. JB	3.32	3.32
40	4701.03.289.A. JA	0.50	0.50
40	4701.03.203.A. JF	0.63	0.63
43	2202.01.800.A. AD	0.50	0.50
44	4059.01.051.A. KZ	10.25	10.24
Total		177.52	180.30

(Source: Appropriation Accounts)

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, it was noticed in the following two instances that amount had been withdrawn and kept in the Bank Account/PD Account as detailed below:

Based on the proceeding issued by Industries Commissioner and Director of Industries and Commerce (IC&DIC), General Manager of District Industries Centres (DIC) of 32 Districts and IC&DIC drew an amount of ₹ 8.66 crore for the scheme of Unemployed Youth Employment Generation Programme (UYEGP) during 2019-20. Out of this, an amount of ₹ 4.35 crore, which remained unutilised was not surrendered during the year. On further scrutiny,

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

it was seen that the amount was remitted back to Government account in 2020-21, indicating that amount had been drawn without immediate need.

In another case, in Animal Husbandry, Dairying and Fisheries Department, an amount of ₹ 1.10 crore provided in the original Budget Estimate and available through the year under the Head of Account (2403-00-101-AC – Purchase of machinery and equipment and material and supplies) was withdrawn on the last day of the year i.e., 31 March 2020 and remitted into PD Account of Tamil Nadu Medical Service Corporation in order to avoid lapse of Budgetary Grants.

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.

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. These object heads pertaining to booking of expenditure of capital nature should correspond with capital major heads only. However, in the following instances, object heads of revenue nature are incorrectly operated with capital major heads and vice-versa.

- During the year, capital expenditure of an amount of ₹ 21.02 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.
- Further, during the year, an amount of ₹ 0.84 crore relating to execution of major works under ‘Major and Medium Irrigation’ was wrongly classified under Revenue Section instead of under Capital Section, resulting in overstatement of revenue expenditure and overstatement of revenue deficit.

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 Slips were issued to the LMMH in 2004 stipulating that Irrigation Projects should be classified at Sub-Major Head level for Major and Medium Irrigation separately. The Government of Tamil Nadu, however, has not adopted the Correction Slips on the ground that the ‘two-digit’ sub-major code is not sufficient to cater to the large number of projects in the State. Instead the State Government has adopted ‘three-digit’ codes at Minor Head level which is not authorized. Details are as given in **Table 3.5**.

Table 3.5: 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
40	2701.01 - Each Commercial Irrigation Project should be classified as sub major head	2701.00 - Each Irrigation Scheme is classified as minor head	1,585.45
40	4701.01 - Each Commercial Irrigation Project should be classified as sub major head	4701.00 - Each Irrigation Scheme is classified as minor head	1,583.67
60	0701.01 - Each Commercial Irrigation Project should be classified as sub major head	0701.00 - Each Irrigation Scheme is classified as minor head	47.65
5	2810.00.800	2810.02.800	2.96
12	2810.00.800	2810.02.800	1.00
42	2810.00.102	2810.01.102	1.06
57	6004.02.105	6004.02.800	1,055.97

(Source: Appropriation Accounts)

3.3.4 Unnecessary or excessive Supplementary grant

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provisions made by the Appropriation Act for the year can be made during the current financial year but not after the expiry of the current financial year as is necessary to meet-

- i. Expenditure on Schemes of New Expenditure to be taken up within the current financial year,
- ii. Inadequacy of provision,
- iii. Fresh expenditure but not technically “Schemes of New Expenditure”,
- iv. Omissions of provision.

When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the Grant to cover the excess by re-appropriation, the Secretary in the Department concerned proposes to the Finance Department for Supplementary or Additional Grant or Appropriation. During 2019-20, against the original provision of ₹ 2,68,501.58 crore and supplementary provision of ₹ 19,851.68 crore, only an expenditure of ₹ 2,61,259.86 crore was incurred. There were variations between the total grant / appropriation and expenditure incurred, leading to a net savings of ₹ 27,093.40 crore under 51 revenue, 42 capital, 31 loan grants and 54 revenue, 5 capital and one loan appropriation. In view of the overall net savings, supplementary provisions of ₹ 50 lakh or more in each case aggregating ₹ 980.26 crore in 86 cases in 29 grants proved unnecessary as the original provision was not exhausted as detailed in **Appendix 3.2**. It was further noticed that not only unnecessary excess provisions were made in the supplementary grants, but there were also instances when 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 three cases, the supplementary provisions of ₹ 3,989.37 crore proved insufficient, leaving an aggregate uncovered excess expenditure of ₹ 941.81 crore as detailed in **Table 3.6**.

Table 3.6: Cases where supplementary provision proved insufficient (excess expenditure more than ₹ 1 crore)

(₹ in crore)

Sl. No.	Grant number and Description	Original provision	Supplementary provision	Total provision	Actual expenditure	Excess expenditure
1	13 - Food and Consumer Protection (Co-operation, Food and Consumer Protection Department) – Revenue (Voted)	6,159.89	2,372.46	8,532.35	8,534.07	1.72
2	40 - Irrigation (Public Works Department) – Revenue (Voted)	2,092.27	0.26	2,092.53	2,333.37	240.84
3	43 – School Education Department – Revenue (Voted)	28,573.01	1,616.65	30,189.66	30,888.91	699.25
	Total	36,825.17	3,989.37	40,814.54	41,756.35	941.81

(Source: Appropriation Accounts)

Such huge variations in unnecessary/inadequate supplementary provisions is indicative of improper budgetary planning which could be avoided by strengthening the reconciliation process of tracking the progressive expenditure with budget estimates by the Government.

3.3.5 Unnecessary/excess/insufficient re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. 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. The audit findings are discussed below:

- Re-appropriations proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh under 770 sub-heads. The savings/excess of more than ₹ 2 crore each, as a result of injudicious re-appropriations were ₹ 933.52 crore (77 items under savings) and ₹ 1,564.11 crore (81 items under excess) in 158 sub-heads as detailed in **Appendix 3.3**.
- In respect of 32 Heads of Account (**Appendix 3.4**), though an amount of ₹ 1,172.15 crore was available (Original and Supplementary), an additional amount of ₹ 65.97 crore was provided at re-appropriation stage which was unnecessary as the total expenditure in these cases were only ₹ 1,137.96 crore and well within the earlier provisions made.
- In 14 cases across 11 Grants, an amount of ₹ 2,985.30 crore provided in original budget was fully withdrawn by re-appropriation during the year 2019-20 as listed in the **Appendix 3.5**. Withdrawal of the entire amount provided for not only indicates inaccurate budgeting, but also deprives the other departments of the funds required.
- It was further noticed that in respect of eight cases, where a provision of ₹ 4.17 crore was made under the Head of Account ‘2049’ by the Finance Department towards interest liability for various deposits held under the HoA ‘8342’ in Public Account in the Budget, the entire amount was

fully withdrawn leaving a token provision at the re-appropriation stage indicating unrealistic budget allocations. (**Appendix 3.6**).

- Further and more serious, it was noticed that in 25 cases as detailed in **Appendix 3.7**, though the entire provision was fully withdrawn by re-appropriations, expenditure of ₹ 128.93 crore was incurred under the scheme, indicating injudicious re-appropriations. Also, in two out of the eight cases, after withdrawing almost the entire provision leaving a token provision of ₹ 1,000, an expenditure of ₹ 2.25 crore has been incurred as may be noticed from **Appendix 3.6**.
- A further detailed scrutiny of all the re-appropriation orders issued by the Finance Department revealed that in respect of 13,118 out of 23,383 items (56.10 *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 necessary instructions would be issued to the Departments/Controlling Officers to give the actual reasons for variations in re-appropriation.

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.

Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak implementing capacities and poor internal controls promote release of funds towards the end of the financial year, and increase the propensity of the Departments to retain huge balances outside the

Government Account in Bank accounts. Excessive savings also deprives other Departments of the funds which they could have utilised. The instances of huge savings and surrenders are discussed in the succeeding paragraphs.

3.3.6.1 Savings

Audit observed that in 36 cases there were savings of above ₹ 100 crore amounting to ₹ 26,403.66 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 where utilisation of budget was less than 50 per cent

(₹ in crore)

Sl. No.	Grant	Total provision	Expenditure	Percentage of utilisation
	Revenue			
1.	50 – Pension and Retirements (Charged)	22.72	3.06	13.45
	Capital			
2.	08 – Dairy Development (Animal Husbandry, Dairying and Fisheries Department) (Voted)	200.00	--	--
3.	09 – Backward Classes, Most Backward Classes and Minorities Welfare Department (Voted)	10.12	4.21	41.61
4.	13 – Food and Consumer Protection (Co-operation, Food and Consumer Protection Department) (Voted)	483.81	213.09	44.04
5.	16 – Finance (Voted)	770.00	1.59	0.21
6.	26 – Housing and Urban Development Department (Voted)	859.12	--	--
7.	29 – Tourism, Art and Culture (Voted)	197.84	60.55	30.60
8.	40 – Irrigation (Public Works Department) (Charged)	85.25	29.56	34.68
9.	41 – Revenue and Disaster Management Department (Voted)	16.75	6.26	37.38
10.	44 – Micro, Small and Medium Enterprises (Voted)	71.00	26.80	37.74
	Loans			
11.	5 – Agriculture (Voted)	130.75	0.21	0.16
12.	12 – Co-operation (Voted)	11.92	1.31	10.95
13.	15 – Environment (Environment and Forest Department) (Voted)	20.00	--	--
14.	26 – Housing and Urban Development (Voted)	2,091.00	321.25	15.36

(Source: Appropriation Accounts)

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 ₹ 28,035.40 crore, an amount of ₹ 27,542.44 crore only (₹ 16,216.52 crore on 22 March 2020 and ₹ 11,325.92 crore on 31 March 2020) was surrendered. Out of the ₹ 11,325.92 crore surrendered on the last day (31 March 2020), 88 cases amounting to ₹ 10,311.98 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.

It was further noticed that no part of the savings was surrendered at the close of the year 2019-20 in respect of two cases as shown in **Table 3.8** below.

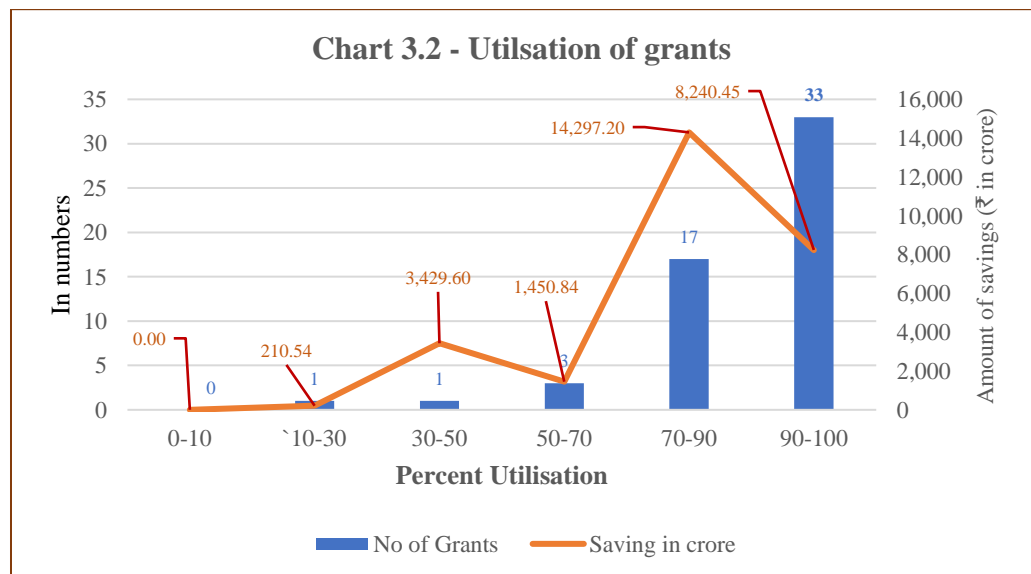
Table 3.8: Savings not surrendered at the close of year

(₹ in lakh)

Sl. No	Grant Number and Description	Savings	Surrender
1	47 - Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)- Revenue – Charged	300.00	--
2	19 - Health and Family Welfare Department – Capital – Charged	379.64	--
Total		679.64	--

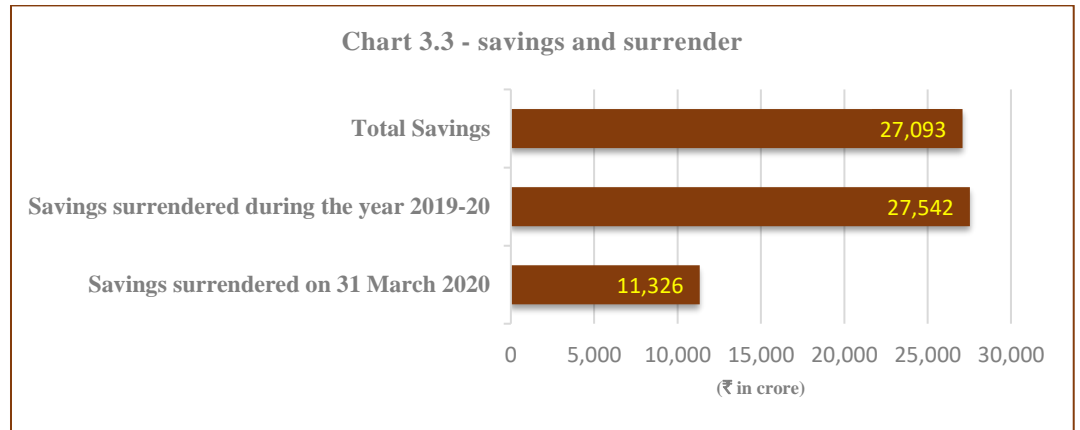
- Further, under 18 grants and two appropriations, savings of more than rupees one crore (₹ 1,354.55 crore) was not surrendered fully as given in **Appendix 3.10**.
- In 31 Grants/Appropriation under Revenue and 17 Grants/Appropriation under Capital, surrenders were made more than savings as listed in **Appendix 3.11**.

The following **Chart 3.2** depicts the distribution of the number of grants/appropriations grouped by percentage of utilisation along with total savings in each group.



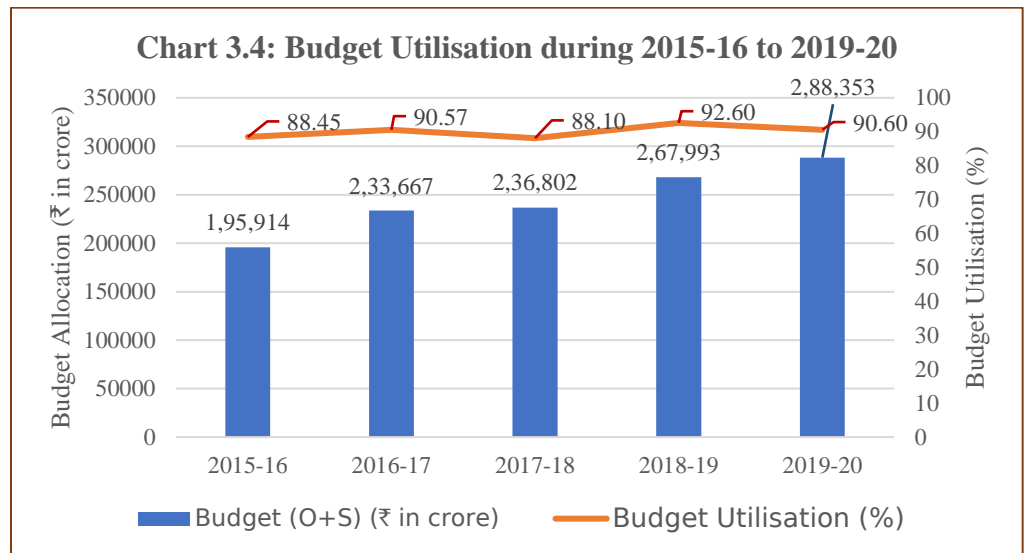
(Source: Appropriation Accounts)

The following **Chart 3.3** shows savings and surrenders during the year.



(Source: Appropriation Accounts and Re-appropriation orders)

The following **Chart 3.4** shows the budget utilisation for the period from 2015-16 to 2019-20.



(Source: Appropriation Accounts)

From the chart above, it is seen that the utilisation of budget provision ranged between 88.10 per cent and 92.60 per cent during the period 2015-16 and 2019-20. Thus, there has been a persistent non-utilisation of 7.40 to 11.90 per cent of budget provision during the five-year period.

3.3.6.3 Persistent Savings

Under 23 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 5.04 to 81.74 and Capital Section ranged from 12.05 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 HoA: 4070-00-800-KF – Transfer to Tamil Nadu Infrastructure Development Fund as shown below in **Table 3.9**.

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

(₹ in crore)

Details	2015-16	2016-17	2017-18	2018-19	2019-20
Provision	2,000	2,000	2,000	500	500
Re-appropriation	(-) 1,980	(-) 1,970	(-) 2,000	(-) 499	(-) 498

(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.

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

The summary of excess disbursements over grants/appropriations during the year 2019-20 is given below in **Table 3.10**.

Table 3.10: Excess over Provisions during the year

(₹ in crore)

Name of the Department	Voted			Charged		
	Revenue	Capital	Loans and Advances	Revenue	Capital	Loans and Advances
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Food and Consumer (Co-operation, Food and Consumer Protection Department (Grant No. 13)	1.71	--	--	--	--	--
Irrigation (Public Works Department (Grant No. 40)	240.85	--	--	--	--	--
School Education Department (Grant No. 43)	699.25	--	--	--	--	--
Transport Department (Grant No.48)	--	--	0.13	--	--	--
Revenue and Disaster Management Department (Grant No. 41)	--	--	0.06	--	--	--
No. of Grants/ Appropriation	3	--	2	--	--	--
Total	941.81	--	0.19	--	--	--
Grant Total	942.00					

(Source: Appropriation Accounts)

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 ₹ 2,657.67 crore relating to 2012-19 was yet to be regularised as detailed below in **Table 3.11**.

Table 3.11: 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 Note for one grant (Grant No. 40) has not been received.
2014-15	10, 16, 23,30, 32, 35, 36, 40, 43, 45	78.55	Explanatory Note for six grants (Grant Nos. 16, 23, 30, 40, 43 and 45) has not been received.
2015-16	19, 23, 30, 39, 47, 49	82.16	Explanatory Note for one grant (Grant No. 39) has not been received.
2016-17	10, 12, 17, 21, 32, 39, 40	167.16	Explanatory Note 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 Note for three grants (Grant No. 19, 40 and 52) and five appropriations (6, 13, 21, 24 and 41) have not been received.
2018-19	10, 15, 27, 37, 40, 42, 43	1,480.54	Report placed on the Table of the Legislature on 24 June 2021
	Total	2,657.67	

(Source: Appropriation Accounts)

There was an excess disbursement of ₹ 942 crore over the authorisation made by State Legislature under five grants/appropriations during the financial year 2019-20. An excess disbursement of ₹ 2,657.67 crore pertaining to the years 2012-13 to 2018-19 is yet to be regularized by the State Legislature. This is in violation of Article 204 of the Constitution which provides that no money shall be withdrawn from the Consolidated Fund except under appropriation made by Law by the State Legislature. This vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

3.4 Comments on 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 2019-20 (Voted and Charged) is given below in **Table 3.12**.

Table 3.12: Position of actual expenditure vis-à-vis original/supplementary provisions
(₹ in crore)

Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ Appropriation	Total	Actual expenditure	Net Saving (-)	Amount surrendered	Amount surrendered on 31 March	Percentage of savings surrendered
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(7)/(6) x 100
Voted								
I Revenue	1,80,974.06	11,793.85	1,92,767.91	1,80,709.74	(-) 12,058.17	(-) 13,136.95	(-) 7,877.20	108.95
II Capital	32,532.92	4,487.76	37,020.68	25,617.48	(-) 11,403.21	(-) 11,085.66	(-) 2,744.77	97.22
III Loans and Advances	3,677.48	2,892.32	6,569.80	4,022.25	(-) 2,547.55	(-) 2,639.99	(-) 549.68	103.63
Total Voted	2,17,184.46	19,173.93	2,36,358.39	2,10,349.47	(-) 26,008.93	(-) 26,862.60	(-) 11,171.65	
Charged								
IV Revenue	33,664.46	173.12	33,837.58	32,876.97	(-) 960.60	(-) 561.41	(-) 106.67	58.44
V Capital	61.16	166.41	227.57	166.96	(-) 60.61	(-) 55.69	(-) 44.55	91.88
VI Public Debt- Repayment	17,591.50	338.22	17,929.72	17,866.46	(-) 63.26	(-) 62.75	(-) 3.05	99.18
Total - Charged	51,317.12	677.75	51,994.87	50,910.39	(-) 1,084.47	(-) 679.85	(-) 154.27	
Appropriation to Contingency Fund (if any)	..	..	..	..	..	..	..	..
Grand Total	2,68,501.58	19,851.68	2,88,353.26	2,61,259.86	(-) 27,093.40	(-) 27,542.45	(-) 11,325.92	

(Source: Appropriation Accounts for the year 2019-20)

The whole amount of surrender of ₹ 27,542.45 crore was made in the month of March 2020. Out of this, an amount of ₹ 11,325.92 crore (41 per cent) was surrendered on the last day i.e., 31 March 2020. In view of the overall savings of ₹ 27,093.40 crore (9.40 per cent), the entire supplementary provision of ₹ 19,851.68 crore proved unnecessary.

Trends in expenditure during the past five years with reference to the Original Budget and Revised Estimate are as given below in **Table 3.13**.

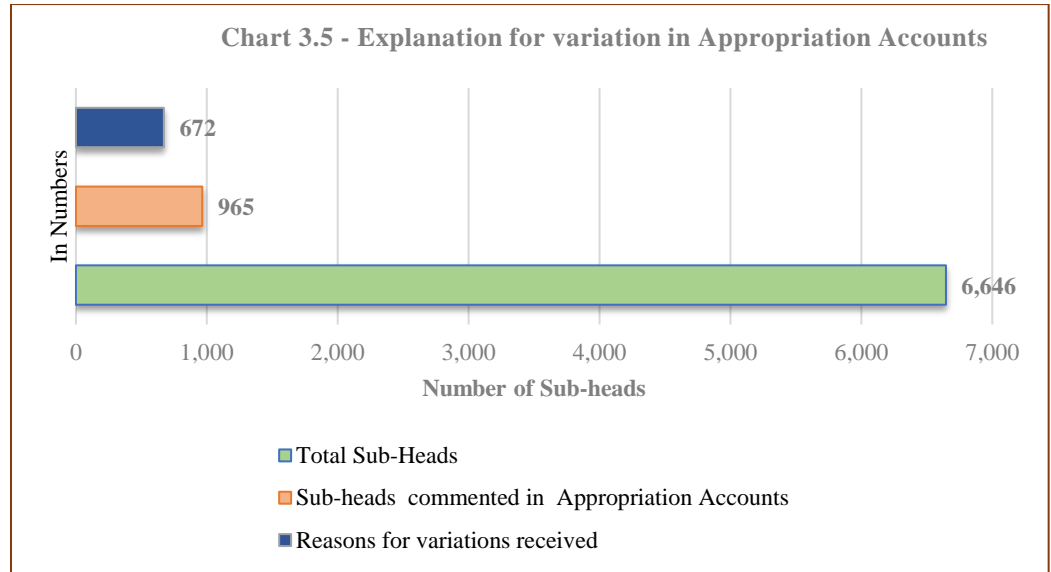
Table: 3.13: Trend of savings/excess

	2015-16	2016-17	2017-18	2018-19	2019-20
Original budget	1,84,296.00	1,99,928.20	2,19,339.48	2,43,847.26	2,68,501.58
Supplementary budget	11,617.62	33,739.27	17,462.14	24,146.16	19,851.68
Revised Estimate (O+S)	1,95,913.62	2,33,667.47	2,36,801.62	2,67,993.42	2,88,353.26
Actual expenditure	1,73,288.37	2,11,641.78	2,08,622.18	2,48,170.03	2,61,259.86
Net savings	(-) 22,625.25	(-) 22,025.69	(-) 28,179.44	(-) 19,823.39	(-) 27,093.40
Percentage of savings	11.55	9.43	11.90	7.40	9.40

(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 in 2019-20.

No reasons were received for the variations from the controlling officers for sub-heads as detailed in the **chart – 3.5** 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 ₹ 3,708.88 crore under 92 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 2020. Besides, in respect of four grants listed below in **Table 3.14**, 50 per cent of expenditure was incurred in the month of March 2020. Rush of expenditure at the end of the year shows poor expenditure control.

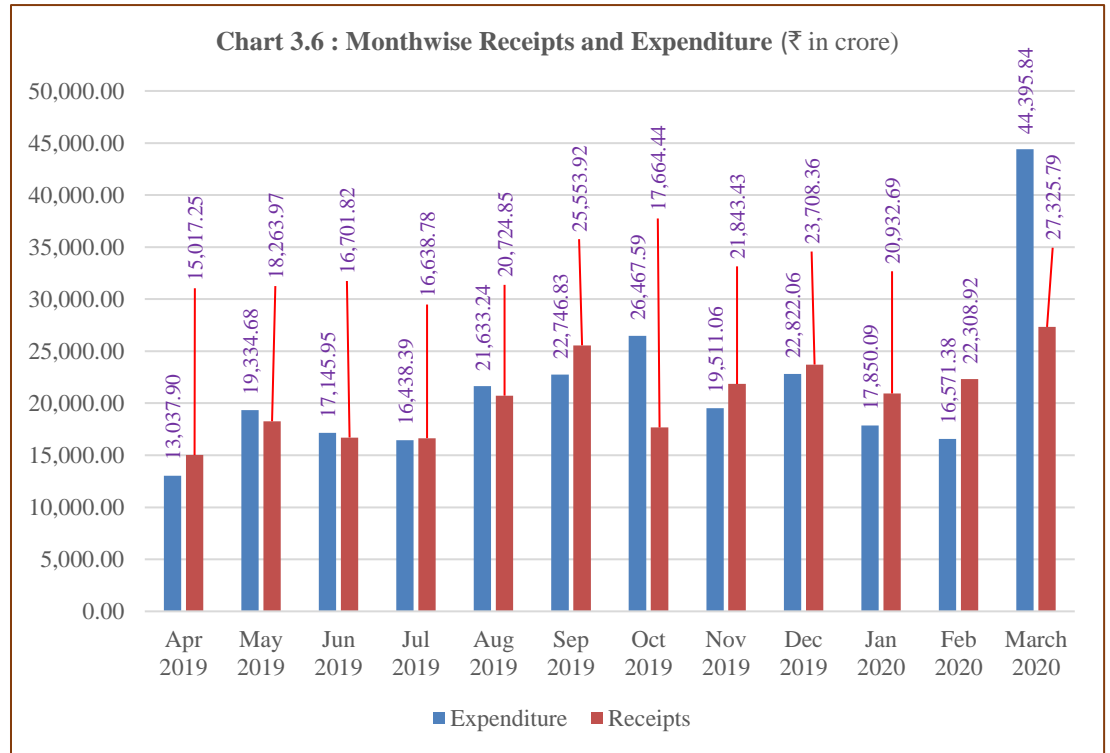
Table 3.14: Grants with more than 50 per cent of expenditure in March alone

(₹ in crore)

Sl. No.	Grant No.	Description	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Total	Expenditure in March	Expenditure in March as percentage of Total Expenditure
1.	36	Planning, Development and Special Initiatives Department	31.36	34.93	43.87	273.98	384.14	245.41	63.89
2.	47	Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	27.63	23.32	27.78	173.81	252.53	158.47	62.75
3.	27	Industries Department	36.71	817.70	350.71	2,025.36	3,230.47	1,968.83	60.95
4.	40	Irrigation (Public Works Department)	335.73	717.09	692.95	2,957.83	4,703.60	2,632.64	55.97
Total							8,570.74	5,005.35	58.40

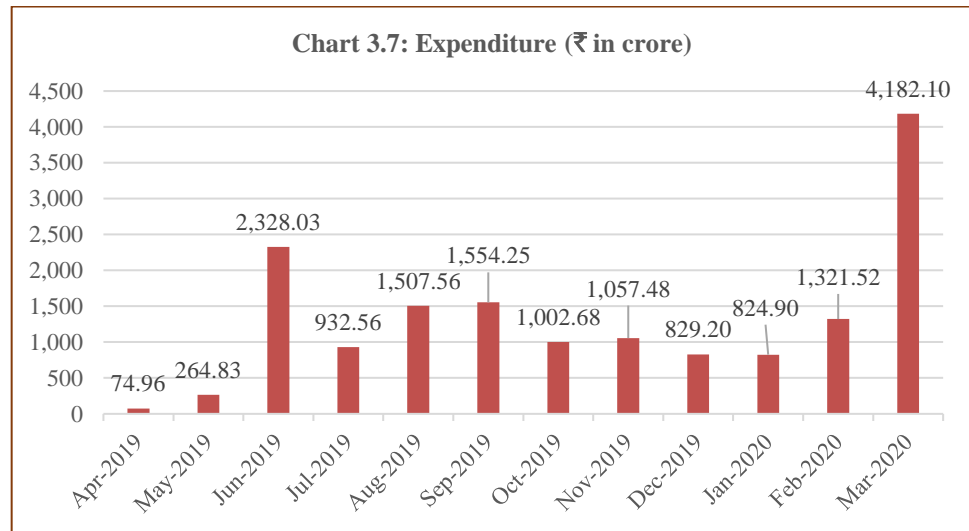
(Source: Compilation from VLC data)

The following **Chart 3.6** shows the monthly receipts and expenditure during 2019-20 is given below:



(Source: compilation from VLC data)

The Department of Rural Development and Panchayati Raj expended 26.34 per cent in March 2020 as given below in **Chart 3.7**.



(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 3.15** below.

Table 3.15: 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
2014-15	46	47.94	40	41.66	87	87
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

(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, three CFA sanctions issued by Backward class, Most Backward Classes and Minority Welfare Department for ₹ 12.22 lakh were fully unutilised as detailed in **Table 3.16** below.

Table 3.16: 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
1	28	9 - Backward Classes, Most Backward Classes and Minorities Welfare Department	26.02.2020	6,96,000	Providing Telephone connection with broadband facility to the BC, MBC, DC hostels
2	29		06.03.2020	43,000	
3	30		12.03.2020	4,83,000	

(Source: Government orders)

Besides, in the remaining sanction of ₹ 39.89 crore, only ₹ 33.69 crore (85 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 more caution would be exercised in future in sanctioning advances from the Contingency Fund.

3.6 Review of selected Grants

A review of budgetary procedure and control over expenditure was conducted in respect of ‘Grant Number 5 - Agriculture Department’ and ‘Grant Number 21 - Highways and Minor Ports Department’. Test check disclosed deficiencies in the budgetary process, as discussed in the succeeding paragraphs.

3.6.1 Grant Number 5 – Agriculture Department

The Principal Secretary to Government of Tamil Nadu, Agriculture Department is the administrative head. The Department of Agriculture is headed by Director of Agriculture and the Department of Horticulture and Plantation Crops is headed by Director of Horticulture and Plantation Crops. Two Chief Controlling Officers (CCOs) viz., (i) Directorate of Agriculture and

(ii) Directorate of Horticulture were selected for Budget review under the department.

3.6.1.1 Allocation and Expenditure

A summary of actual expenditure *vis-à-vis* original/supplementary provisions made during the year 2019-20 is given in **Table 3.17** below.

Table 3.17: Details of Budget Provision and Actual Expenditure under Grant No. 5

(₹ in crore)

	Nature of expenditure	Original	Supplementary	Total	Expenditure	Savings(-)/ Excess (+)	Percentage of savings	Amount surrendered
Voted	I Revenue	10,001.41	265.28	10,266.69	10,040.36	(-) 226.33	2.20	160.48
	II Capital	418.68	7.25	425.93	265.28	(-) 160.65	37.72	160.64
	III Loan	130.75	0.00	130.75	0.21	(-) 130.54	99.84	130.54
Total Voted (A)		10,550.84	272.53	10,823.37	10,305.85	(-) 517.52	4.78	451.66
Charged	IV Revenue	--*	0.53	0.53	0.05	(-) 0.48	90.57	--**
Total Charged (B)		--	0.53	0.53	0.05	(-) 0.48	90.57	--
Grand Total (A+B)		10,550.84	273.06	10,823.90	10,305.90	(-) 518.00	4.79	451.66

* ₹ 3,000 given as token provision

** ₹ 2,000 surrendered

(Source: Appropriation Accounts for the year 2019-20)

From **Table 3.17**, it may be seen that, as against an actual saving of ₹ 518.00 crore in the grant, only an amount of ₹ 451.66 crore was surrendered by way of re-appropriation. The overall savings was 4.79 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 2019-20, there was a saving of 37.72 per cent in the Grant under Capital Section. During the five year period 2015-20, the Department had persistent savings ranging between 17.76 per cent and 55.57 per cent of the total grant as given in **Table 3.18** below.

Table 3.18: Year-wise allocation and savings

(₹ in crore)

Year	Total grant	Expenditure incurred	Saving	Amount surrendered	Percentage of saving
2015-16	337.66	223.03	(-) 114.63	(-) 113.20	33.95
2016-17	356.56	295.01	(-) 61.55	(-) 59.87	17.26
2017-18	437.10	194.19	(-) 242.91	(-) 243.68	55.57
2018-19	461.88	348.59	(-) 113.29	(-) 113.22	24.53
2019-20	425.93	265.28	(-) 160.65	(-) 160.64	37.72

(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 Non-receipt of Central Share

In the following four schemes, the amount was withdrawn at the re-appropriation stage due to lesser receipts of central grants as listed below in **Table 3.19**.

Table 3.19: Unnecessary supplementary grant

(₹ in lakh)

Sl. No.	Scheme/Head of Account	Original	Supplementary	Re-appropriation	Total Provision	Actual Expenditure
1	Integrated farming in Coconut holding for productivity improvement 2401.00.114.SB	140.00	20.00	(-) 102.19	57.81	58.17
2.	Replanting and Rejuvenation of Coconut Gardens 2401.00.114.SC	1,600.00	5,605.42	(-) 245.47	6,959.95	665.77
3.	Replanting and Rejuvenation of Coconut Gardens for SCSP 2401.00.793.SI	380.00	1,683.29	(-) 1,475.79	587.50	210.67
4.	National Agriculture Development Programme (NADP-RKVY) - Agriculture Department 2401.00.800.UF	13,503.14	258.62	(-) 6,969.60	6,792.16	6,770.78
	Total	15,623.14	7,567.33	(-) 8,793.05	14,397.42	7,705.39

(Source: Detailed Appropriation Accounts)

In the above cases supplementary provisions were made in anticipation of receipt of Central grants. However, due to non-receipts of the same, amounts were surrendered at the re-appropriation stage.

3.6.1.4 Injudicious re-appropriation of funds

Test-check of records of Directorate of Agriculture/Horticulture revealed that injudicious re-appropriation of funds were made in various heads as detailed in Table 3.20 below:

Table 3.20: Injudicious appropriation

(₹ in lakh)

Scheme	Head of account	Original Provision	Supplementary Provision	Re-appropriation	Final Modified Grant	Actual Expenditure	Reasons furnished
'Replanting and Rejuvenation of Coconut Gardens'	2401-00-794-SB (ST Plan)	20.00	0.03	146.09	166.12	0.26	Funds were provided to eight districts, of which seven districts had surrendered the entire provision of ₹ 39 lakh. Under the component 'Replanting coconut gardens - new' ₹ 19 lakh was surrendered as there were no eligible ST farmers with coconut gardens and under the component viz. 'setting up of small coconut nurseries', ₹ 20 lakh was surrendered as farmers did not come forward to get back-end subsidy for producing coconut seedlings because the seedlings so produced could not be sold.
Oil Palm Development Project under National Food Security Mission (NFSM)	2401-00-114-UE	305.69	0.02	(-) 81.54	224.17	228.58	Due to deficit rainfall, the targets of plantation as anticipated could not be achieved.
Production and distribution of quality seeds (Seed Village scheme)	2401-00-794-UI	75.00	0.00	(-) 18.77	56.23	55.22	14 districts ⁴ surrendered ₹ 11 lakh as there were no eligible ST farmers
Construction of Integrated Agriculture Extension Centres under NADP - RKVY	4401-00-103-UA	1,835.60	0.02	(-) 748.65	1,086.97	1,109.23	Works could not be taken up as planned due to delay in supply of sand and for other administrative reasons. CE/AED had stated that the amount surrendered would be got revalidated in 2020-21.
	4401-00-793-UA	1,362.70	0.02	(-) 301.76	1,060.96	1,037.63	
	4401-00-794-UA	114.62	0.03	(-) 81.12	33.53	33.53	

(Source: Detailed Appropriation Accounts)

4

Dindigul, Kancheepuram, Pudukottai, Ramnathapuram, Sivagangai, Tirunelveli, Thanjavur, Tuticorin, Virudhunagar, Theni, Karur, Ariyalur, Tirupur and Madurai

In the Schemes mentioned above, it can be seen that provisions were made in the Original and supplementary budget estimates without assessing the actual necessities on ground, thereby leading to huge surrender / savings of provisions indicating poor budgetary planning.

3.6.1.5 Withdrawal of entire provision by re-appropriation

GoI sanctioned an amount of ₹ 968.10 lakh towards construction of two processing unit godowns to house the modernised Seed Processing Units (SPU) machinery and the processed stock with three phase electric connection and Dunnages each with the capacity of 1000 MT - ₹ 105.00 lakh; construction of 15 seed storage godowns having capacity of 1000 MT with electric connection and Dunnages - ₹ 787.50 lakh; and two modernised SPUs having capacity of 2 MT/hour - ₹ 75.60 lakh. An amount of ₹ 429.75 lakh had been released by GoI (March 2019).

Token amounts were sanctioned in July 2019 (Supplementary Estimate: 1) and March 2020 (Supplementary Estimate: 2) under the Heads of Account 2401-00-103-ST and 4401-00-103-SA indicating that the balance amount would be provided by re-appropriation.

Scrutiny revealed that amounts provided were withdrawn entirely. On enquiry, the Department stated that the entire provision was surrendered because the work of construction of godown was not taken up, as the proposal for changing the size of the godown was not approved by the Government at that time and that State Government had accorded permission to construct godowns with revised dimensions only in July 2020 and the construction works were in progress (October 2020).

The fact remains that funds released by GoI were not utilised for more than a year due to improper planning and assessment of the actual requirement of funds.

Further test check revealed that the entire amount provided under the following Schemes were also withdrawn as detailed in **Table 3.21** below.

Table 3.21: Withdrawal of entire provision

(₹ in lakh)

Sl. No	Scheme	Head of account	Original Provision	Supplementary Provision	Surrender	Remarks
1	Creation of infrastructure for State Horticulture - Farms under NABARD	4401-00-119-JO	5,000.00	--	5,000.00	The justification given for withdrawal by way of re-appropriation was pending sanction of funds by NABARD
2	Horticulture Training and Information Centre	2401-00-119-LJ	--	80.00	80.00	Amount was sanctioned towards the formation of Horticulture Technical Hubs in four districts in Supplementary Estimate II in February 2020. However, the entire amount was withdrawn through re-appropriation as financial sanction was not accorded by GoTN during the year.

(Source: Appropriation Accounts)

Thus, the grants approved by the Legislature was not utilised.

3.6.1.6 Incorrect accounting resulted in savings

In the appropriation accounts, it was noticed that under the Centrally Sponsored Scheme ‘Replanting and Rejuvenation of Coconut Gardens’ (HoA: 2401-00-114-SC), funded by Coconut Development Board (GoI), only an amount of

₹ 6.66 crore was booked as expenditure as against a Final Modified Grant of ₹ 69.60 crore.

Detailed scrutiny revealed that the Central share under the centrally sponsored scheme which was incurred by the State Government during 2018-19 was received during the current year. However, the reimbursed amount was treated as reduction of expenditure instead of as receipts during the year. This incorrect accounting treatment led to wrong depiction of huge savings under the said scheme.

The above accounting treatment has resulted in inflating the savings to an extent of ₹ 68.12 crore in the Appropriation Accounts. Due to this, though an amount of ₹ 62.92 crore had been actually incurred towards the Scheme during the year, the accounts depict only an amount of ₹ 6.66 crore as incurred towards the Scheme, which is not correct. The issue discussed in the exit conference was accepted by the Government and it was stated that remedial action would be taken to issue directions to all concerned for accounting such cases as receipts and not as reduction of expenditure.

3.6.1.7 Non-Materialisation of Budget Commitment

While presenting the Budget for the year 2019-20 in the State Legislature, the Finance Minister announced various schemes/ projects under Grant No. 5 – Agriculture. Details of funds committed for the test-checked cases, budget allotment and Audit comment are given below in **Table 3.22**.

Table 3.22 – Details of announcements made in the Assembly

Scheme for which announcement made	Provisions made in the budget	Audit comment
Agriculture: The transitional production incentive introduced in 2018-19, for sugarcane over and above the Fair and Remunerative Price announced by the Government of India, will be continued during 2019-20 and allocation of ₹ 200 crore has been provided for this purpose	₹ 200 crore was provided in Original estimate and ₹ 65 crore withdrawn in re-appropriation.	The withdrawal of 32 per cent of provision due to non-payment of incentive shows inaccurate estimates of cane quantity that are eligible for incentive.
Agriculture: A sum of ₹ 180 crore will be provided as an incentive for paddy procurement in the Budget Estimates 2019-2020	Out of original provision of ₹ 180 crore, ₹ 32.48 crore was withdrawn in re-appropriation.	The incentive is given by Tamil Nadu Civil Supplies Corporation to farmers while procuring paddy and GoTN reimburses the amount thus paid by TNCSC. Withdrawal of 18 per cent of original provision showed inaccurate estimates of requirement.
Agriculture: The scheme 'Mission on Sustainable Dry land Agriculture (MSDA)' will be continued in 2019-20 with a financial allocation of ₹ 292 crore for covering 400 more clusters	₹ 224 crore was provided in the Original estimate and ₹ 40.55 crore was withdrawn during re-appropriation.	Expenditure of ₹ 186.56 crore was incurred against the FMG of ₹ 183.45 crore. The reason for the excess over provision is not known and is a matter of concern.
Agriculture: During 2019-20, another 5,000 Integrated Farming System (IFS) units in Agriculture will be assisted in 25 districts at an outlay of ₹ 101.62 crore	The provision of ₹ 101.62 crore for IFS under the HoA 2401-00-104-AF was not drawn for utilisation during 2019-20.	IFS is a component under NADP and ₹ 10 crore was provided during 2019-20 and ₹ 10 crore spent. Provision of ₹ 101.62 crore proved unnecessary.
Horticulture: Chief Minister's scheme for Augmentation of fruits and vegetables will be implemented from 2019-20 for which ₹ 50 crore was earmarked.	₹ 50 crore was provided in Original estimates, of which ₹ 47 crore was withdrawn in re-appropriation.	Under HoA of 2401-00-119-BE, ₹ 3 crore was booked as expenditure for the new priority scheme announced by the Chief Minister during centenary function (30 September 2018) of Dr. MGR, to encourage vegetable production in their house or a portion of land for rural people and farmers. The remaining amount of ₹ 47 crore was withdrawn citing the reason 'non-availing of central grant'. Thus, 94 per cent of the provision was withdrawn for scheme announced in the Legislative Assembly.

(Source: Budget Speech and Appropriation Accounts)

Thus, the inaccurate assessment 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 utilised.

3.6.2 Grant No. 21 - Highways and Minor Ports Department

Highways and Minor Ports Department in Tamil Nadu is responsible for the development of road infrastructure. The Principal Secretary to Government, Highways and Minor Ports Department is the administrative head. The field formations are headed by the Chief Engineers and Project Directors. Two Chief Controlling Officers (CCOs) viz., Chief Engineer (Construction and Maintenance) - Highways and Chief Engineer (Highways) – NABARD and Rural Roads were selected for Budget review under the department.

3.6.2.1 Allocation and Expenditure

A summary of actual expenditure vis-à-vis original/supplementary provisions made during the year 2019-20 is given in **Table 3.23** below.

Table 3.23: Details of Budget Provision and Actual Expenditure under Grant No. 21

(₹ in crore)

	Nature of expenditure	Original	Supplementary	Total	Expenditure	Savings(-)/ Excess (+)	Percentage of savings	Amount surrendered
Voted	I Revenue	1,564.77	118.17	1,682.95	1,599.40	(-) 83.54	82.79	(-) 69.16
	II Capital	12,040.42	84.43	12,124.85	9,259.59	(-) 2,865.26	98.35	(-) 2,817.95
	III Loan	--*	--	--	--	--	100.00	--
Total Voted (A)		13,605.19	202.60	13,807.80	10,858.99	(-) 2,948.80	21.36	(-) 2,887.11
Charged	IV Revenue	--**	--	--	--	--	100.00	--
	V Capital	--***	13.08	13.08	13.07	(-) 0.01	97.38	(-) 0.01
Total Charged (B)		--	13.08	13.08	13.07	(-) 0.01	0.08	(-) 0.01
Grand Total (A+B)		13,605.19	215.68	13,820.88	10,872.06	(-) 2,948.81	21.34	(-) 2,887.12

* ₹1,000 token provision ** ₹5,000 token provision *** ₹3,000 token provision

(Source: Appropriation Accounts for the year 2019-20)

Though the ultimate saving in the Grant during the year was ₹ 2,948.81 crore, the amount surrendered was ₹ 2,887.12 crore only. The overall savings was 21.34 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 grant under the Capital heads during the period 2015-16 to 2019-20 as detailed below in **Table 3.24** below.

Table 3.24: Persistent Savings under Capital Section

(₹ in crore)

Year	Original provision	Supplementary provision	Total provision	Expenditure	Excess (+) /Savings (-)	Percentage of savings
2015-16	6,920.02	80.71	7,000.73	5,411.28	(-) 1,589.45	22.70
2016-17	7,111.85	*	7,111.85	5,763.01	(-) 1,348.84	18.97
2017-18	8,667.68	#	8,667.68	6,924.37	(-) 1,743.31	20.11
2018-19	9,557.01	4.18	9,561.19	7,570.32	(-) 1,990.87	20.82
2019-20	12,040.42	84.43	12,124.85	9,259.59	(-) 2,865.26	23.63

* ₹33,000 # ₹49,000

(Source: Appropriation Accounts for the respective years)

Savings during the past five years ranged between 18.97 and 23.63 per cent.

On further scrutiny, it was noticed that savings occurred mainly under the following Capital Heads of Accounts persistently as detailed in Table 3.25.

Table 3.25: Details of Persistent savings under Capital Head of Account

Sl. No.	Head of Account with Nomenclature	Amount of Savings (₹ in crore)				
		2015-16	2016-17	2017-18	2018-19	2019-20
1.	5054.03.337.JD (V) City Traffic Improvement works - controlled by Chief Engineer (General) Highways	120.36 (56.51)	38.73 (25.82)	22.72 (44.68)	31.49 (81.32)	21.68 (45.00)
2.	5054.04.337.JZ (V) Construction / Reconstruction of Bridges with Loan Assistance from NABARD	..	33.72 (12.80)	147.73 (47.65)	134.89 (53.95)	65.81 (21.97)
3.	5054.04.337.KA (V) Bye Pass Works	24.00 (96.00)	33.97 (80.57)	41.41 (99.11)	13.91 (45.57)	1.89 (16.70)
4.	5054.04.337.KC (V) Acquisition of Lands for Bye Passes	..	96.43 (80.97)	278.51 (92.84)	285.32 (84.74)	382.96 (91.71)
5.	5054.04.800.JK (V) Acquisition of Lands for Bye Passes	196.47 (98.24)	80.23 (78.15)	65.06 (44.42)	159.43 (88.63)	130.21 (98.13)
6.	5054.04.101.JE (V) Construction / Reconstruction of Bridges	..	..	33.83 (37.99)	56.48 (67.59)	10.88 (26.10)
7.	5054.04.101.JH (V) Chennai Metropolitan Development Plan - Traffic and Transport Improvement in Chennai City	..	..	22.94 (76.47)	27.53 (81.14)	14.22 (34.73)
8.	5054.80.004.AA (V) Investigation / Estimation of project work under Roads and Bridges	0.93 (15.53)	..	2.09 (14.97)	0.80 (8.61)	3.51 (31.49)
9.	5054.80.800.JJ (V) Construction of over and under Bridges in lieu of existing level crossing	142.77 (60.40)	93.82 (40.10)	138.47 (41.18)	155.63 (64.46)	206.69 (74.07)
10.	5054.80.800.JS (V) Road Works under Bharath Nirman	..	..	2.52 (49.95)	2.17 (29.11)	2.35 (46.62)
11.	5054.80.800.JT (V) Construction of Railway Over Bridges /Railway Under Bridges	313.39 (65.32)	368.79 (71.56)	198.73 (52.29)	139.21 (51.14)	194.91 (60.99)
12.	5054.80.800.KJ (V) Works executed by Chief Engineer (Metro), Highways from State Infrastructure and Amenities Fund	40.94 (81.88)	39.53 (79.06)	39.95 (69.02)	45.40 (78.04)	235.72 (90.55)
13.	5054.80.800.KN (V) Development of Northern Port Access Road Project – Land acquisition	..	..	99.40 (49.70)	100.00 (49.85)	200.00 (99.88)
14.	5054.80.800.PC (V) Tamil Nadu Road Sector Project Phase - II	..	385.14 (31.97)	668.76 (44.89)	105.46 (21.84)	110.93 (24.13)

(Figures in brackets indicate savings as a percentage of total provision)

(Source: Detailed Appropriation Accounts for the respective years)

Persistent savings in the aforementioned schemes indicate a lapse in the budgeting process resulting in the projects under these schemes not progressing as envisaged, resulting in savings every year.

Further, it may be seen from the table that three out of fourteen heads of account (Schemes - Sl. No. 4, 5 and 13) relate to Land acquisition. In addition to these three Schemes, savings occurred under two more heads of account towards land acquisition during the year. The details of provision, expenditure and savings under these schemes during the year are detailed in **Table 3.26** below.

Table 3.26 - Details of savings under Land Acquisition cases

(₹ in crore)

Head of Account with Nomenclature	Original Provision	Supplementary Provision	Re-appropriation	Final Modified Grant	Expenditure	Savings
5054-04-337-KC	417.56	*	(-) 382.85	34.71	34.60	(-) 0.11
5054-04-800-JK	132.68	*	(-) 130.20	2.48	2.48	--
5054-80-800-KN	200.25	--	(-) 200.00	0.25	0.25	--
5054-03-337-PB	800.00	--	(-) 770.02	29.97	29.95	(-) 0.02
5054-04-337-PC	660.00	--	(-) 659.20	0.80	0.79	(-) 0.01

* Token provision ₹1,000

(Figures in brackets indicate savings as a percentage of total provision)

(Source: Detailed Appropriation Accounts)

From the above table, it could be seen that 91.69 to 99.87 per cent of the original provision was withdrawn by re-appropriation. In all the five cases, reasons attributed for re-appropriation was slow progress of land acquisition including litigations and dropping of certain projects under lands.

In respect of Chennai Kanyakumari Industrial Corridor Project (5054-03-337-PB), out of 366 land acquisition proposals only 45 proposals were published in the Government Gazette as of March 2020 and in none of the cases, the award has been passed. Thus, the slow progress in the land acquisition process has impacted the progress of the project and consequent savings in the budget provision.

Land acquisition being a long drawn process, provision of funds could have been made depending on the stage of land acquisition and additional funds could be obtained during supplementary demand stage.

3.6.2.3 Unnecessary/excess/insufficient re-appropriation of funds

Re-appropriations proved excessive or insufficient and resulted in savings/excess under the sub-heads as mentioned in **Appendix 3.3** (Sl.Nos.35 to 39 under savings category) and (Sl.Nos.34 to 36 under excess category).

Though the expenditure was within the Original and Supplementary provision, unnecessary re-appropriation was made in respect of two Heads of Account to the tune of ₹ 17.01 crore as detailed in **Table 3.27**.

Table 3.27: Unnecessary Re-appropriation

(₹ in lakh)

Head of Account	Original	Supplementary	Provision	Re-appropriation	Expenditure
3054.80.001.AE	13,477.90	0.02	13,477.92	1,690.08	13,141.27
5054.80.800.AA	24.51	0.01	24.52	11.30	24.50
Total	13,502.41	0.03	13,502.44	1,701.38	13,165.77

(Source: Detailed Appropriation Accounts)

3.6.2.4 Withdrawal of entire provision by re-appropriation

In one HoA – 5054-04-337-PB – ‘Widening from intermediate lane to four lane and strengthening of Puduvoyal- Pulicat road with JICA assistance’, the entire original provision of ₹ 25.79 crore was withdrawn indicating incorrect budgeting.

3.6.2.5 Unnecessary or excessive Supplementary grants

Test check of HoA - 5054-03-337-JI – ‘Comprehensive Road Infrastructure Development Programme (CRIDP)’ - State Highways revealed that original provision of ₹ 1,322.18 crore and supplementary grant of ₹ 1.79 crore was provided in January 2020. However, the requirement was revised as ₹ 1,324.20 crore in FMA (February 2020). Besides, in the surrender proposal sent to Government in March 2020 the requirement was further reduced to ₹ 1,180.58 crore. This indicated that supplementary provision was made without assessing the actual requirement and it indicates the lack of monitoring the financial discipline.

3.6.2.6 Huge surrender of funds under ‘Road Maintenance’

It was seen from the Budget allocation and expenditure under the Revenue Heads of Account that savings occurred mainly under the following Heads of Account. The details are detailed in Table 3.28 below.

Table 3.28: Huge surrender of funds

(₹ in crore)

Head of Account	Original provision	Supplementary provision	Total	Re-appropriation	FMG	Expenditure	Excess(+) / Savings(-)	
							Against O+S	Against FMG
3054-03-337-AA	193.68	--	193.68	(-) 45.04	148.64	149.68	(-) 44.00	(+) 1.04
3054-04-337-AA	175.95	--	175.95	(-) 54.26	121.69	126.17	(-) 49.78	(+) 4.48
3054-04-337-AB	619.06	--	619.06	(-) 186.99	432.07	435.12	(-) 183.94	(+) 3.05

(Source: Detailed Appropriation Accounts)

It was seen that there were huge withdrawal of funds under the above heads of account. Thus, obtaining huge provision and huge surrender of funds at the fag end of the year was indicative of improper estimation of requirement.

Further, it was also seen that in all the above Heads of Account the final expenditure has exceeded the FMG by ₹ 8.57 crore indicating excessive withdrawal of funds by re-appropriation even at FMA stage which indicated poor monitoring of expenditure and absence of financial discipline.

3.7 Conclusion and recommendations

Expenditure incurred without authority of law

In respect of 30 cases, a total expenditure of ₹ 130.71 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 ₹ 1.80 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 ₹ 980.26 crore obtained in 86 cases, during the year 2019-20 proved unnecessary as the original provisions itself was not exhausted.

In respect of 32 Heads of Account, though an amount of ₹ 1,172.14 crore was available (Original and Supplementary), an additional amount of ₹ 65.97 crore was provided at re-appropriation stage which was unnecessary as the total expenditure in these cases were only ₹ 1,137.96 crore and well within the earlier provisions made.

In 25 cases, though the entire provision was fully withdrawn by re-appropriations, expenditure of ₹ 128.93 crore was incurred under the scheme, indicating injudicious re-appropriations.

In 14 cases across 11 Grants, an amount of ₹ 2,985.30 crore provided in original budget was fully withdrawn by re-appropriation during the year 2019-20. 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 36 cases, there were savings of above ₹ 100 crore amounting to ₹ 26,403.66 crore across various grants.

Surrenders to the tune of ₹ 16,216.52 crore (5.62 per cent of the total provision) were made on 22 March 2020 in 3,374 cases and ₹ 11,325.92 crore (3.93 per cent of the total provision) on 31 March 2020 in 3,689 cases. Out of ₹ 11,325.92 crore surrendered on the last day (31 March 2020), 88 cases amounting to ₹ 10,311.98 crore were in excess of over ₹ 10 crore, indicating inadequate financial control.

Under 23 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 3.3.6.3)

Excess expenditure and its regularisation

During the year, excess disbursements over grants/appropriations were made for ₹ 942 crore. This expenditure needs to be regularised. Besides, excess expenditure of ₹ 2,657.67 crore relating to 2012-19 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 ₹ 3,708.88 crore under 92 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 2020 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 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 16 of every year.

However, there was a sizeable net difference (₹ 1,144.16 crore) in the closing balance for the year 2019-20 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 4.1**.

Table 4.1: Differences in cash balances

Period	Debit difference		Credit difference	
	No. of items	₹ in Crore	No. of items	₹ in Crore
2009-2010 to 2013-2014	238	121.61	254	99.54
2014-2015 to 2018-2019	941	5,526.06	1,224	6,073.43
2019-2020	169	4,568.17	321	5,187.03
Total	1,348	10,215.84	1,799	11,360.00

(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 during the last three years as shown in **Table 4.2** below.

Table 4.2: 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
2015-16	54.51 (Cr.)	48.00 (Dr.)	6.51 (Cr.)
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.)

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

The difference is due to belated transfer of Government receipts to the RBI by agency banks and also due to non-reporting of e-receipts by agency banks to PAO (East) which is the accounting authority for all the e-receipts of the State. Out of ₹ 1,144.16 crore difference for the year 2019-20, ₹ 916.11 crore (80.07 per cent) relates to e-receipts and the balance ₹ 228.05 crore (19.93 per cent) relates to regular transactions occurring at treasuries / PAOs. The Government assured during the exit conference that necessary action would be taken for reconciliation of balances with the RBI.

Further, agency banks are required to adhere to norms specified by Controller General of Accounts, Ministry of Finance for payment of revenue into Government Account and there should be no delay in transmission of remittances by the agency banks to sub-treasury / treasury. Penal interest is to be levied on delayed receipts as per the norms (Clause 5.11 (B) (b) of Memorandum of Instructions of the RBI) and will be made by the Agency banks to State Government. In case, bank fails in making payment of penal interest within the stipulated period, the RBI reserves its discretion / right to debit the bank's account in its book and credit State Government accordingly.

A study undertaken by the O/o AG (A&E) on the reconciliation process of the Government transactions revealed that an amount of ₹ 18.21 crore being the penalty for delayed payments from 2016-17 to 2019-20 is pending to be collected from the agency banks.

Thus, the failure of the State Government in taking effective measures with the RBI to collect the penalty from 2016-17 onwards has resulted in non-remittance/evasion of penalty dues by the Agency banks (₹ 18.21 crore). This also raises a serious concern on the increase in the differences of cash balances year after year as discussed above.

4.2 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”.

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 cess levied under sub-section (1) shall be collected from every employer in such manner and at such time, including deduction at source in relation to a building or other construction work of a Government or of a public sector undertaking or advance collection through a local authority where an approval of such building or other construction work by such local authority is required, as may be prescribed. 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.

In Tamil Nadu, the labour cess is being collected even before the enactment of Central Cess Act (1996) as per the provisions under Section 8-A of the Tamil Nadu Manual Workers Welfare (Regulation of Employment and Conditions of Work) Act 1982 and Rules made thereunder in 1986 based on which the Tamil Nadu Construction Workers Welfare Board (TNCWWB) was established (1994).

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 since the establishment of the TNCWWB in 1994 are being directly credited to the bank account of the Board, by the authorities collecting the cess. During the period 2017-18, 2018-19 and 2019-20, an amount of ₹ 521.12 crore, ₹ 567.03 crore and ₹ 627.41 crore respectively has been collected as per the annual accounts of TNCWWB.

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 and how much money was actually transferred to the Board, in the absence of specific Accounting Head for routing it through the Consolidated Fund of the State.

The audit observation was accepted in the exit conference and it was stated that action would be initiated to bring the cess amount into the Consolidated Fund before routing it to the Board.

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 2019-20, 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 ₹ 222.11 crore which worked out to 0.05 *per cent* of the total liabilities of the State (₹ 4,23,742.76 crore).

Audit further observed that though provisions were made under MH 2049 for discharging the interest liabilities under the MH 8342 towards various deposits (17 cases for an amount of ₹ 14.19 crore), no expenditure was incurred as detailed in **Appendix 4.1**.

Government in reply stated that the interest payments could not be made due to want of certain documents from the various bodies/authorities.

The fact remains that the non-discharge/deferment of the interest liability of ₹ 14.19 crore towards the 'interest bearing' deposits continue to carry over an increased burden to the future years.

4.4 Non-inclusion of clear-cut liabilities incurred during the financial year

As per the details furnished by the Commercial Tax Department, SGST refunds to be made during the year 2019-20 was ₹ 3,817.79 crore. However, only an amount of ₹ 2,992.78 crore has been refunded as per the books of account of AG (A&E). The difference of ₹ 825.01 crore which is yet to be refunded to the beneficiaries resulted in understatement of revenue deficit and fiscal deficit as pointed out in Para 1.6.1 under Chapter 1 of this report.

4.5 Delay in furnishing of Utilisation Certificates

Article 210A of the Tamil Nadu Financial Code provides that Utilisation Certificates (UCs) should be obtained by the departmental officers from the organizations to whom grants were given and after verification, the UCs should be forwarded to the Accountant General (Accounts and Entitlements) (AG (A&E)) within 18 months from the date of release of the grants, unless specified otherwise.

It was however noticed that, 51 UCs for ₹ 469.64 crore were outstanding as per the Finance Accounts 2019-20. The Department wise break-up of outstanding UCs is given in **Appendix 4.2** 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
2017-18	4	40.91	Commissionerate of Municipal Administration, Directorate of Rural Development and Panchayat, Commissioneerate of Industries and Commerce.
2018-19	13	102.30	Directorate of Agriculture, Directorate of Town and Country Planning, Directorate of Rural Development and Panchayat, Commissioneerate of Industries and Commerce, Tamil Nadu Physical Education and Sports University
2019-20	34	326.43	Commissionerate of Municipal Administration, Chennai Metropolitan Water Supply and Sewerage Board, Directorate of Employment and Training, Sports Development Authority of Tamil Nadu, Tamil Nadu Physical Education and Sports University, Tamil Nadu Agricultural University, Directorate of Fisheries and various other departments.
Total	51	469.64	

(Source: NTA of Finance Accounts)

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.

4.6 Non-Adjustment of Temporary Advances

The Government of Tamil Nadu does not follow the system of drawal of Abstract Contingency (AC) bills 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 and the advances should be adjusted by presenting detailed bills and vouchers as soon as possible.

It was noticed that there were 1,752 number of temporary advances amounting to ₹ 367.41 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 2020. The unadjusted amount includes those with a period of pendency for over 10 years. Out of the 1,752 temporary advances pending settlement amounting to ₹ 367.41 crore, 343 items amounting to ₹ 225.16 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 ₹ 367.41 crore, the major departments which have not submitted settlement bills were Directorate of Integrated Child Development Services (50.07 per cent) and Courts (23.19 per cent).

The issue of non-adjustment of temporary advance was raised in the State Finance Audit Report of 2018-19, but the State Government has not addressed the issue during 2019-20 also as number of temporary advances pending for adjustment increased from 988 to 1,752 but corresponding unadjusted amount decreased from ₹ 425.51 crore to ₹ 367.41 crore during 2019-20.

Age-wise analysis of the advances pending adjustment is given in **Table 4.4**.

Table 4.4: Age-wise analysis of advances pending

Sl. No	Pendency	Number of Advances	Amount (₹ in crore)
1	More than 10 years	14	0.95
2	More than 5 years and less than 10 years	10	44.51
3	More than 1 year but less than 5 years	319	179.70
4	Less than one year	1,409	142.25
Total		1,752	367.41

(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 2019, 66 accounts amounting to ₹ 184.85 crore under the Major Head 8443 Civil Deposits, Minor Head 106 – AA – Personal Deposits were not closed. During 2019-20, an amount of ₹ 1,247.92 crore (78 accounts) was transferred to PD accounts out of the Consolidated Fund of the State. Out of the total 144 accounts (including the 66 accounts not closed during the previous year), 110 PD accounts amounting to ₹ 1,371.85 crore (including 66 accounts pertaining to the previous year) was closed, leaving a balance of ₹ 60.93 crore in 34 accounts as on 31 March 2020.

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.

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 2019-20, an expenditure amounting to ₹ 23,900.65 crore (10.12 per cent of the total expenditure of ₹ 2,36,066.31 crore) under the Revenue

and Capital sections was classified under the minor head ‘800 - Other Expenditure’. Similarly, Revenue receipts aggregating ₹ 6,883.71 crore (3.94 *per cent* of the total Revenue receipt of ₹ 1,74,525.91 crore) were classified under minor head ‘800 - Other Receipts’.

Instances where 10 *per cent* or more and significant amount of receipts/expenditure booked under minor head ‘800’ are detailed in **Appendices 4.3 and 4.4.**

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 ₹ 151.31 crore in 2017-18 to ₹ 185.69 crore in 2019-20. The net debit balance had increased significantly by ₹ 20.77 crore and ₹ 10.62 crore under Central Pension Accounting Office and Ministry of Surface Transport respectively. As the amount expended to the extent of ₹ 187.95 crore (Dr) has not been reimbursed to the State funds, the cash balance outstanding as on 31 March 2020 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 2019-20, out of 156/210 CCOs for receipts/expenditure in the State, only 54/93 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 4.5** below:

Table 4.5: 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				
2017-18	160	74	86	53.75
2018-19	153	78	75	49.02
2019-20	156	54	102	65.38
Expenditure				
2017-18	212	129	83	39.15
2018-19	214	134	80	37.38
2019-20	210	93	117	55.71

(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. Government in the exit conference stated that necessary steps would be taken for the reconciliation of balances.

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 Non-submission/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 184 institutions/bodies due upto 2019-20 were not received (August 2020) by Audit from the heads of department who released the financial assistance to them. The details are given in **Appendix 4.5** and their age-wise pendency is presented in **Table 4.6**.

Table 4.6: Age-wise analysis of arrears of Accounts of bodies/authorities

Sl. No.	Delay in number of years	No. of Institutions
1	Upto one year	36
2	More than one year and upto three years	82
3	More than three years and upto five years	28
4	Five years and above	38
	Total	184

(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.

Cases of Adverse Opinion

It was noticed during the audit of the TNCWWB that the cess funds directly remitted to the Board has been added to the Corpus/Capital Fund of the Board which should have been accounted for as income under the Income and Expenditure (I&E) account of the Board for the respective years. Despite repeated comments on this issue made in the Separate Audit Reports (SARs) of the Board for the years 2012-13 to 2017-18, since no action was taken by the Board to rectify its accounts. Hence, an adverse opinion was given in the SAR for the year 2017-18. The treatment of Cess as reserves and not income in the I&E account violates the matching concept of accounting.

4.12 Departmental Commercial Undertakings / Corporations / Companies

The Companies Act stipulates that the financial statements of companies are required to be finalised within six months of the end of the relevant financial year, i.e., 30 September of the next financial year. Failure to submit accounts on time renders the officers of the company liable to penal provisions under the Act, extending to fine of up to ₹ one lakh and with further fine of up to ₹ 5,000 for every additional day of default.

The details of arrears of accounts for the year ending March 2020 is listed in **Table 4.7** below:

Table 4.7: Details of age-wise arrears of PSUs/Companies

Particulars	Nos.
Total No. of PSUs (including Power Sector)	72
Accounts submitted during 2019-20	65
Accounts finalised for 2019-20	63
No. of previous year's accounts finalised during 2019-20	2
No. of accounts in arrears	9
Extent of arrears	1 year

(Source: Data compiled by the Accountant General (Audit – II), Tamil Nadu)

In the absence of timely finalization of accounts, results of the investment of the Government remain outside the purview of State Legislature and escape scrutiny by audit. Consequently, corrective measures, if any, required for ensuring accountability and improving efficiency cannot be taken in time.

The above denotes failure of the concerned administrative departments and specifically of the Finance Department to ensure that the defaulting companies and corporations comply with the relevant Acts.

4.13 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 2020, 333 cases of misappropriation, shortages and theft involving a total amount of ₹ 14.62 crore, were pending disposal. The department-wise break-up of these are detailed in **Appendix 4.6**. The age-profile of the pending cases and the reasons for pendency are summarised in **Tables 4.8 and 4.9** below:

Table 4.8: Age Profile and nature of cases

Range in years	Number of cases	Amount involved (₹ in lakh)
0 - 5	2	198.16
6-10	10	110.47
11-15	34	358.96
16 - 20	29	359.92
21 and above	258	434.87
Total	333	1,462.38

(Source: Information furnished by Heads of Department)

Table 4.9: Reasons for pendency of the cases

Reasons for the pendency	Number of cases	Amount (₹ in crore)
Awaiting departmental and criminal investigation	162	7.88
Departmental action initiated but not finalised	110	2.37
Criminal proceedings finalised but recovery of the amount still pending	16	1.64
Awaiting orders for recovery or write off	24	0.72
Pending in Courts of law	21	2.01
Total	333	14.62

(Source: Information received from Heads of Department)

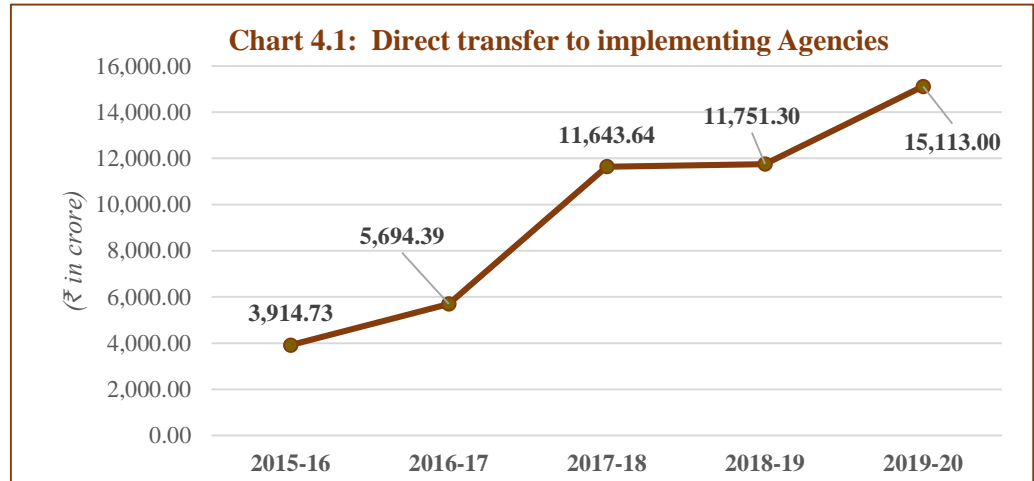
4.14 Funds transferred directly to State Implementing Agencies

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 2019-20, GoI transferred ₹ 15,113 crore directly to the SIAs implementing various Central Schemes / programmes.

The trend of direct transfer of funds to implementing agencies during the period 2015-20 is given in **Chart 4.1**.



(Source: Finance Accounts)

The details of agencies that received funds of more than ₹ 100 crore during the year 2019-20 are detailed in **Table 4.10** below:

Table 4.10: 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 2019-20 (₹ in crore)
1	Food subsidy for decentralised procurement of foodgrains under NFSA	Tamil Nadu Civil Supplies Corporation Limited (TNCSCCL)	2,345.36
2	Payment for indigenous urea	Madras Fertilizers Limited (MFL) and SPIC	2,299.32
3	Pradhan Manthri Kissan Samman Nidhi	Department of Agriculture	2,159.21
4	Metro Projects	Equity Capital in respect of Chennai Metro (CMRL)	1,380.40
5	Payment for Indigenous P and K Fertilizers	Various fertilisers Limited Companies	515.66
6	Member of Parliament Local Area Development Scheme (MPLAD)	District Collectors	275.00
7	Indian Leather Development Programme	MSME Technology Development Centre	116.86

(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 Agencies¹ and hence, these funds would be routed through the State budget from the year 2015-16 onwards. However, in Tamil Nadu, the

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.

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.

4.15 Follow up on State Finance Audit Report

The Public Accounts Committee had 10 sittings on SFAR from 2013-14 to 2019-20. As of December 2020, out of 157 paragraphs/reviews selected for discussion for the period 2008-09 to 2017-18 on the State Finance Audit Report of Tamil Nadu, 16 paragraphs/reviews have been discussed and 141 paragraphs/reviews are pending discussion.

4.16 Conclusion and recommendations

The failure of the State Government in taking effective measures with the RBI to collect the penalty from 2016-17 onwards for the delayed remittances of Government receipts by the agency banks to Government account, has resulted in non-remittance/evasion of penalty dues (₹ 18.21 crore) by the Agency banks. This also raises a serious concern on the increase in the differences of cash balances year after year.

***Recommendation:** The exercise of identifying the reasons for the huge differences in the cash balances which is on the increasing trend has to be taken up immediately for early reconciliation of the same and the timely collection of penalties for the delayed remittances by the agency banks has to be ensured.*

(Paragraph 4.1)

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 4.2)

Continued withdrawals of the entire provisions 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.

***Recommendation:** The Government should ensure that the interest liabilities towards the 'interest bearing' deposits are made as per the provisions.*

(Paragraph 4.3)

Non submission of UCs (₹ 469.64 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 (₹ 367.41 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)

Chennai
The 25 August 2021


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

Countersigned

New Delhi
The 31 August 2021


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

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 2001 Census		6.24 crore	
	(b)	As per 2011 Census		7.24 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 = 21.90 per cent)			11.30 per cent	
5	(a)	Literacy (as per 2001 Census) (All India Average = 64.80 per cent)		73.45 per cent	
	(b)	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 (2017) = 33 per 1,000 live births)			16	
7	Life Expectancy at birth* (All India Average (2014-18) =69.4 years)			72.1	
8	(a)	Rural (All India = 0.29)		0.26	
	(b)	Urban (All India = 0.38)		0.33	
9	Gross State Domestic Product (GSDP) 2019-20 at current prices			₹ 18,45,853 crore	
	Per capita GSDP CAGR (2011-12 to 2019-20)	Tamil Nadu		11.24 per cent	
		General Category States**		10.53 per cent	
10	GSDP CAGR (2011-12 to 2019-20)	Tamil Nadu		11.89 per cent	
		General Category States		11.98 per cent	
11	Population Growth (2011 to 2020***)	Tamil Nadu		5.27 per cent	
		General Category States		10.98 per cent	
B. Financial Data					
Particulars					
CAGR [@]		2010-11 to 2018-19		2018-19 to 2019-20	
		General Category States	Tamil Nadu	General Category States	Tamil Nadu
		(In per cent)			
a	of Revenue Receipts	13.65	12.00	2.08	0.45
b	of Tax Revenue	12.21	10.41	2.12	1.83
c	of Non Tax Revenue	11.19	14.97	23.44	-9.24
d	of Total Expenditure	13.87	12.70	4.09	5.31
e	of Capital Expenditure	14.64	8.74	-3.86	5.43
f	of Revenue Expenditure on Education	11.58	11.43	11.81	15.93
g	of Revenue Expenditure on Health	15.43	13.07	9.48	-2.09
h	of Revenue Expenditure on Salaries and Wages	10.78	10.85	9.51	9.34
i	of Revenue Expenditure on Pension	14.14	12.45	9.74	2.09

* Economic Survey 2019-20, Vol. II; Ministry of Statistics and Programme Implementation (MoSPI)

** General Category States are the States other than the 11 States categorised as Special Category States (Arunachal Pradesh, Assam, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttaranchal)

*** Population Projections for India and States by the National Commission on Population

@ 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)	$[(\text{Current year Amount}/\text{Previous year Amount})-1] * 100$
Development Expenditure	Social Services expenditure + Economic Services expenditure
Average interest paid by the State	$\text{Interest payment}/[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2] * 100$
Interest receipts as percentage of outstanding Loans and Advances	$\text{Interest Received} = [(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2] * 100$
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 and then by the Thirteenth Finance Commission 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 to a level not exceeding five *per cent* by 31 March 2019, eliminate revenue deficit by 2019-20 and adhere to it thereafter.
- (b) Reduce the ratio of fiscal deficit to GSDP every year by 0.25 to 0.30 *per cent* beginning from financial year 2002-03 with medium term goal of not being more than three *per cent* of fiscal deficit to GSDP to be attained by 31 March 2019 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 75.00 *per cent* of revenue receipts of previous year or 7.50 *per cent* of GSDP, whichever is lower.

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

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Part A. Receipts					
1 Revenue Receipts	1,29,008 (37)	1,40,231 (36)	1,46,280 (37)	1,73,741 (38)	1,74,526 (34)
(i) Tax Revenue	80,476 (62)	85,941 (61)	93,737 (64)	1,05,534 (61)	1,07,462 (62)
State Goods and Service Tax (SGST)	..	..	24,589 (26)	38,533 (37)	38,376 (36)
Taxes on Agricultural Income	..	..	..	..	..
Taxes on Sales, Trade, etc.	57,522 (72)	63,234 (74)	46,356 (49)	42,701 (40)	44,515 (41)
State Excise	5,836 (7)	6,248 (7)	5,815 (6)	6,863 (7)	7,206 (7)
Taxes on Vehicles	4,233 (5)	4,854 (6)	5,363 (6)	5,573 (5)	5,675 (5)
Stamps and Registration fees	8,721 (11)	7,237 (8)	9,195 (10)	11,066 (10)	10,856 (10)
Land Revenue	258 (..)	153 (..)	152 (..)	178 (..)	258 (..)
Taxes on Goods and Passengers	2,153 (3)	2,551 (3)	900 (1)	3 (..)	11 (..)
Other Taxes	1,753 (2)	1,664 (2)	1,367 (2)	617 (1)	565 (1)
(ii) Non-Tax Revenue	8,918 (7)	9,914 (7)	10,764 (7)	14,200 (8)	12,888 (7)
(iii) State's share of Union taxes and duties	20,354 (16)	24,538 (18)	27,100 (19)	30,639 (18)	26,393 (15)
(iv) Grants-in-aid from Government of India	19,260 (15)	19,838 (14)	14,679 (10)	23,368 (13)	27,783 (16)
2 Miscellaneous Capital Receipts	..	1 (..)	2 (..)	..	..
3 Recoveries of Loans and Advances	684 (..)	3,548 (1)	8,472 (2)	6,913 (1)	5,384 (1)
4 Total Revenue and Non debt capital receipts (1+2+3)	1,29,692	1,43,780	1,54,754	1,80,654	1,79,910
5 Public Debt Receipts	36,066 (10)	66,143 (17)	45,722 (12)	47,936 (10)	66,774 (13)
Internal Debt (excluding Ways and Means Advances and Overdrafts)	34,695	64,283	42,969	45,596	64,784
Net transactions under Ways and Means Advances and Overdrafts	..	..	..	..	..
Loans and Advances from Government of India	1,371	1,860	2,753	2,340	1,990
6 Total Receipts in the Consolidated Fund (4+5)	1,65,758	2,09,923	2,00,476	2,28,590	2,46,684
7 Contingency Fund Receipts	..	19	..	..	10
8 Public Account Receipts	1,82,545 (53)	1,81,475 (46)	1,95,989 (49)	2,34,439 (51)	2,61,483 (52)
9 Total Receipts of the State (6+7+8)	3,48,303	3,91,417	3,96,465	4,63,029	5,08,177
Part B. Expenditure/Disbursement					
10 Revenue Expenditure	1,40,993 (41)	1,53,195 (40)	1,67,874 (43)	1,97,200 (42)	2,10,435 (42)
Plan	36,578 (26)	35,306 (23)	..	..	..
Non Plan	1,04,415 (74)	1,17,889 (77)	..	..	..
General Services (including interest payments)	45,512	51,452	60,451	72,450	78,138
Social Services	54,806	55,297	59,790	70,202	73,999
Economic Services	29,943	33,980	36,162	39,669	42,610
Grants-in-aid and contributions	10,732	12,466	11,471	14,879	15,688
11 Capital Expenditure	18,995 (5)	20,709 (6)	20,203 (5)	24,311 (5)	25,632 (5)
Plan	18,411 (97)	20,293 (98)	..	..	..
Non Plan	584 (3)	416 (2)	..	..	..
General Services	1,054	750	847	858	1,064
Social Services	5,660	6,041	4,731	6,996	5,860
Economic Services	12,281	13,918	14,625	16,457	18,708
12 Disbursement of Loans and Advances	2,331 (1)	26,046 (7)	6,517 (2)	6,478 (1)	4,022 (1)
13 Total (10+11+12)	1,62,319	1,99,950	1,94,594	2,27,989	2,40,089
14 Repayments of Public Debt	6,605 (2)	8,200 (2)	8,991 (2)	15,064 (3)	17,866 (3)
Internal Debt (excluding Ways and Means Advances and Overdrafts)	5,739	7,275	8,035	13,881	16,510
Net transactions under Ways and Means Advances and Overdraft	..	..	..	..	..
Loans and Advances from Government of India	866	925	956	1,183	1,356

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

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(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
15 Appropriation to Contingency Fund
16 Total disbursement out of Consolidated Fund (13+14+15)	1,68,924	2,08,150	2,03,585	2,43,053	2,57,955
17 Contingency Fund disbursements	19	..	..	10	..
18 Public Account disbursements	1,77,442 (51)	1,73,007 (45)	1,84,209 (48)	2,23,930 (48)	2,44,023 (49)
19 Total disbursement by the State (16+17+18)	3,46,385	3,81,157	3,87,794	4,66,993	5,01,978
Part C. Deficits/Surplus					
20 Revenue Deficit (1-10)	11,985	12,964	21,594	23,459	35,909
21 Fiscal Deficit (4-13)	32,627	56,170	39,840	47,335	60,179
22 Primary Deficit (21+23)	15,236	35,637	13,828	18,578	28,199
Part D. Other data					
23 Interest Payments (included in revenue expenditure)	17,391	20,533	26,012	28,757	31,980
24 Financial Assistance to Local Bodies, etc.,	36,307	39,397	40,631	47,826	50,604
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)	11,76,500	13,02,639	14,65,051	16,30,208	18,45,853
28 Outstanding Fiscal liabilities (year-end)	2,23,030	2,83,394	3,26,518	3,68,736	4,23,743
29 Outstanding guarantees (year-end) (including interest)	51,586	29,540	36,131	43,661	47,319
30 Maximum amount guaranteed (year-end)	3,162	9,128	15,517	83,140	4,669
Part E: Fiscal Health Indicators					
I Resource Mobilisation					
31 Own Tax revenue/GSDP	6.84	6.60	6.40	6.47	5.82
32 Own Non-Tax Revenue/GSDP	0.76	0.76	0.73	0.87	0.70
33 Central Transfers/GSDP	1.73	1.88	1.85	1.88	1.43
II Expenditure Management					
34 Total Expenditure/GSDP	13.80	15.35	13.28	13.99	13.01
35 Total Expenditure/Revenue Receipts	125.82	142.59	133.03	131.22	137.57
36 Revenue Expenditure/Total Expenditure	86.86	76.62	86.27	86.50	87.65
37 Revenue Expenditure on Social Services/Total Expenditure	33.76	27.66	30.73	30.79	30.82
38 Revenue Expenditure on Economic Services/Total Expenditure	18.45	16.99	18.58	17.40	17.75
39 Capital Expenditure/Total Expenditure	11.70	10.36	10.38	10.66	10.68
40 Capital Expenditure on Social and Economic Services/Total Expenditure	11.05	9.98	9.95	10.29	10.23
III Management of Fiscal Imbalances					
41 Revenue deficit/GSDP	1.02	1.00	1.47	1.44	1.95
42 Fiscal deficit/GSDP	2.77	4.31	2.72	2.90	3.26
43 Primary Deficit/GSDP	1.30	2.74	0.94	1.14	1.53
44 Revenue Deficit/Fiscal Deficit	36.73	23.08	54.20	49.56	59.67
IV Management of Fiscal Liabilities					
45 Fiscal Liabilities/GSDP	18.96	21.76	22.29	22.62	22.96
46 Fiscal Liabilities/RR	172.88	202.09	223.21	212.23	242.80
47 Primary deficit vis-à-vis quantum spread	(-) 610.91	(-) 612.21	(-) 123.84	(-) 189.65	(-) 148.21
48 Debt Redemption (Principal +Interest)/Total Debt Receipts	59.02	38.46	67.05	82.14	66.73
V Other Fiscal Health Indicators					
49 Return on Investment	0.61	0.62	0.45	0.37	0.40
50 Financial Assets/Liabilities	0.84	0.83	0.79	0.76	0.76

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.

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 ₹)
1	04	Adi-Dravidar and Tribal Welfare Department	2225.02.277.BC	Free Education to Students of ST studying in B.A., B.Sc., B.Com., Courses Scholarships and Stipends	4,00,000
2			2225.02.277.BD	Free Education to the Students of ST Girls studying P.G.Courses	2,50,000
3			4225.01.277.JO	Construction of Adi-Dravidar Welfare ITI Building	1,00,00,000
4	05	Agriculture Department	2401.00.108.VC	Scheme for control of Eriophid Mite in Coconut Trees	2,00,000
5			2401.00.789.AC	Production of Fruits and Vegetables for Scheduled Caste Sub-Plan	2,25,052
6			2401.00.793.UE	Special Component Plan for development of Plasticulture	1,14,332
7	07	Fisheries (Animal Husbandry, Dairying and Fisheries Department)	2405.00.800.BJ	Repatriation of Tamil Nadu Fishermen who were distressed by the foreign Government	1,50,081
8			4405.00.104.JK	Land Acquisition for Fishing Harbour	45,73,052
9	19	Health and Family Welfare Department	2210.05.105.BS	Government Medical College, Perambalur	7,60,110
10			2210.05.105.BU	Government Medical College, Ramanathapuram	5,16,399
11			2210.05.105.CF	Government Medical College, The Nilgiris	9,14,789
12	22	Police (Home, Prohibition and Excise Department)	7610.00.201.AE	Loans to Indian Police Service Officers for construction of houses	40,14,500
13			7610.00.201.JB	Loans to Tamil Nadu Police Housing Corporation for construction of Houses to Police Personnel - Controlled by the DGP	6,23,557
14	27	Industries Department	2053.00.094.CK	Establishment for acquisition of Lands for Aromatic Complex and other Stream Projects of Chennai Refineries	1,58,708
15			2852.80.800.BB	Land cost Investment Incentive	2,00,00,000
16			2852.80.800.JG	Promotion of Investments in Tamil Nadu	25,62,502
17	29	Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	5452.01.101.LE	Construction of New Office Buildings for Tourism Department	24,00,000
18	35	Personnel and Administrative Reforms Department	4070.00.800.KM	Construction of buildings and upgrading infrastructure facilities for Civil Service Training Institute, Bhavanisagar	12,73,588
19	38	Public Department	2015.00.105.AA	Bye Elections	1,55,225
20			2070.00.800.AS	Special Representative at New Delhi	9,98,440
21	40	Irrigation (Public Works Department)	4701.03.429.PW	Rehabilitation and Improvement of Kullursandai Dam	6,66,161
22			4711.01.103.KL	Works for Chennai flood protection and flood relief	1,63,294

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Sl. No.	Grant No.	Department	Head of Account	Description	Expenditure (in ₹)
23	42	Rural Development and Panchayat Raj Department	2216.03.789.JD	Solar Powered Green House Scheme	1,21,80,00,000
24	43	School Education Department	2202.02.004.AE	Change of Higher Secondary Syllabus	3,40,268
25	47	Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	2250.00.800.AB	Repairs to Temples	1,41,35,760
26	50	Pension and Other Retirement Benefits	2071.01.108.AD	Contributory Pension Payable for the Employees deputed from the State Public Sector Undertakings	6,89,511
27	51	Relief on account of Natural Calamities	2245.02.193.AX	Assistance to Town Panchayats for repairs and restoration of roads, buildings, street lights, drainage, etc.	1,56,12,800
28			2245.02.800.AU	Rural Development Training Centre at Narayanapuram	4,21,800
29			2245.80.102.AD	Tamil Nadu Disaster Response Force	62,03,905
30			2245.80.800.AB	Assistance for undertaking relief works in Tsunami affected areas	5,49,997
Total					1,30,70,73,831

(Source: Detailed Appropriation Accounts for the year 2019-20)

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	(₹ in lakh)		
				Original provision	Actual Expenditure	Supplementary provision
(A) Revenue (Charged)						
1	03	2014.00.102.AA	Judges and Registrars	18,864.72	18,710.65	6,466.99
2	03	2014.00.102.AI	Madurai Bench of Madras High Court at Madurai	4,876.93	4,676.14	74.90
(A) Revenue (Voted)						
3	01	2011.02.103.AA	State Legislative Assembly Secretariat	3,077.34	3,059.54	54.65
4	03	2014.00.105.AA	City Civil Court	2,659.74	2,535.08	295.28
5	03	2014.00.108.AA	Regular Establishments	20,444.27	19,201.10	2,052.05
6	05	2401.00.114.SC	Replanting and Rejuvenation of Coconut Gardens	1,600.00	665.77	5,605.42
7	05	2401.00.793.SI	Replanting and Rejuvenation of Coconut Garden for Scheduled Caste Sub-Plan	380.00	210.67	1,683.29
8	05	2401.00.800.UF	National Agriculture Development Programme (NADP-RKVY) - Agriculture Department	13,503.14	6,770.78	258.62
9	06	2403.00.103.JT	Development of Poultry Clusters and Backyard Poultry	5,000.04	4,927.66	1,540.53
10	07	2405.00.101.PE	TNIAM project in Fisheries Department	1,004.73	776.30	230.00
11	09	2225.03.277.AA	Backward Classes Hostels	14,458.21	13,194.50	430.00
12	09	2225.03.277.BC	Most Backward Classes Hostels	9,323.01	6,982.78	141.45
13	09	2225.03.277.JO	Free education to Backward Classes up to degree level	1,781.95	646.08	106.07
14	09	2225.03.277.KG	Free Education to Students of Most Backward Classes / Denotified Communities studying B.A., B.Sc., B.Com Degree Courses	1,400.00	357.62	200.00
15	10	2040.00.001.AA	Headquarters Establishment	2,325.00	1,948.83	125.75
16	11	2030.03.001.AD	Computerisation of Registration Department under Simplified and Transparent Administration of Registration(STAR) Project	10,815.76	7,446.26	1,819.79
17	13	3456.00.001AA	Headquarters	831.87	825.42	186.07
18	17	2851.00.103.KG	Payment of interest subsidy to Primary Weavers Co-operative Societies and Co-optex	1,440.00	1,437.14	720.00
19	18	2851.00.107.AB	Direction and Administration	1,657.30	1,588.44	56.72
20	19	2210.01.110.AK	Government Stanley Hospital, Chennai	6,061.22	5,974.62	100.01
21	19	2210.01.110.AN	Government Royapettah Hospital, Chennai	3,960.48	3,606.74	100.01
22	19	2210.01.110.CQ	Supply of drugs and surgical stores to Government Medical Institutions under the control of the Director of Medical Education	12,400.00	11,800.00	14,787.68

State Finance Audit Report, Tamil Nadu for the year ended March 2020

Sl. No.	Grant No	Head of Account	Nomenclature	(`in lakh)		
				Original provision	Actual Expenditure	Supplementary provision
			through Tamil Nadu Medical Services Corporation			
23	19	2210.01.110.DC	Schools of Nursing in Government Medical Colleges	3,433.88	3,378.77	73.11
24	19	2210.01.110.EE	Payment to Contract Agencies for Outsourcing	17,532.49	16,931.21	700.00
25	19	2210.03.103.BI	Primary Health Centres	77,690.09	75,638.14	650.06
26	19	2211.00.103.UA	National Health Mission Schemes	1,17,254.09	1,07,995.15	3,600.00
27	19	2235.60.789.JC	Dr.Muthulakshmi Reddy Maternity Assistance Scheme for the female members of below poverty line families for delivery under Special Component Plan	26,754.59	24,703.92	200.00
28	20	2202.03.001.AA	Directorate of Collegiate Education	2,938.74	1,940.49	98.02
29	20	2202.03.102.AH	Mother Teresa Women's University, Kodaikanal	1,216.19	916.18	200.00
30	20	2202.03.103.AB	Arts College (Women)	27,920.88	25,911.83	342.14
31	20	2203.00.001.AA	Directorate of Technical Education	1,830.31	1,345.79	65.24
32	20	2203.00.105.AA	Government Polytechnic Colleges (Men)	15,839.77	11,878.77	136.11
33	20	2203.00.108.AA	Conduct of Examinations	4,989.77	4,611.23	362.11
34	21	3054.80.001.BA	Director General, Highways	809.95	719.83	100.01
35	22	2055.00.003.AA	Police Training College, Chennai	6,475.57	6,066.78	616.99
36	22	2055.00.101.AU	Coastal Security Group	3,114.20	2,447.71	678.77
37	22	2055.00.101.AY	Additional Director General of Police - Crime	1,786.44	1,621.06	59.69
38	22	2055.00.104.AA	Battalions Expenditure when stationed in the State	61,552.29	59,738.44	4,251.71
39	22	2055.00.108.AB	Law and Order	1,08,551.63	1,07,532.06	4,164.64
40	22	2055.00.108.AC	Crime	10,895.89	10,326.69	255.55
41	22	2055.00.109.AL	Commissioner of Police in Districts	77,221.29	76,610.85	7,186.38
42	22	2055.00.115.AA	Modernisation of Police Force	11,156.94	4,881.10	2,190.73
43	22	2055.00.116.AA	Forensic Science and Chemical Laboratory	3,372.66	3,248.90	381.35
44	22	2055.00.800.AE	Provision for the purchase of motor vehicles in the place of condemned vehicles	50.00	46.41	9,178.87
45	23	2070.00.108.AA	Direction and Administration	4,171.32	4,028.87	504.79
46	23	2070.00.108.AB	Protection and Control - Fire Stations including Workshops and Mobile Repair squads	30,961.33	28,405.57	100.06
47	24	2056.00.101.AA	Jails (other than Sub-Jails)	19,788.45	19,620.63	333.35
48	24	2056.00.101.AB	Sub-Jails	5,572.41	5,239.30	93.48
49	28	2220.60.106.AC	Scheme for Publicity and Information	2,454.13	2,334.17	218.81
50	29	2059.01.053.AT	Buildings - Art and Culture (Administered by CE (Buildings))	30.00	0.00	50.00
51	29	2205.00.101.AN	Thiruvaiyaru Government Music College	196.58	193.49	55.34

Sl. No.	Grant No	Head of Account	Nomenclature	(`in lakh)		
				Original provision	Actual Expenditure	Supplementary provision
52	30	2058.00.103.AA	Central press, Chennai	4,094.76	3,968.91	64.46
53	32	2230.03.001.AG	Setting up of Regional Offices	553.01	530.01	50.02
54	32	2235.60.789.JD	Payment of relief to the Unemployed Youth under Special Component Plan	970.00	918.53	54.54
55	32	2235.60.800.AX	Payment of relief to the Unemployed Youth	2,125.78	2,102.69	126.17
56	36	3475.00.800.AI	Grants to Madras Institute of Development Studies	193.01	108.02	70.00
57	39	2059.80.001.BH	Executive Engineers - Special Divisions	9,788.19	9,568.44	238.52
58	43	2202.01.800.JK	Free supply of Footwear to School going children	3,071.00	0.00	523.18
59	43	2202.02.101.AA	Inspection of General Schools	18,719.24	17,759.64	141.57
60	43	2202.02.108.AA	Examinations conducted by the Director of Government Examinations	12,730.77	12,472.66	139.39
61	43	2225.01.789.JE	Free supply of Footwear to School going children under Elementary Education	996.00	0.00	169.68
62	44	2851.00.102.MF	New Entrepreneurship-cum-Enterprise Development Scheme	8,044.00	7,907.18	500.00
63	45	2235.02.103.UF	Mahila Shakthi Kendra (MSK) Scheme	360.24	142.24	578.12
64	45	2235.60.200.DP	Lumpsum Provision to Noon-Meal Organisers	3,786.50	3,586.32	1,981.01
65	45	2236.02.102.KN	Puratchithalaivar MGR Nutritious Meal Programme for children in the age group of 10 to 14 in the Government and aided schools	30,714.57	27,242.53	1,200.75
66	45	2236.02.102.SB	Supply of Free Rice to Primary and Upper Primary Students under National Programme for Mid-Day Meals Scheme	3,319.90	2,102.78	614.38
67	45	2236.02.789.SC	Supply of Free Rice to Primary and Upper Primary Students under National Programme for Mid-Day Meals Scheme under Special Component Plan	1,087.80	779.05	196.06
68	48	3055.00.190.AE	Reimbursement of difference in cost due to price increase / levy of surcharge on HSD oil	25,000.00	23,754.98	2,200.00
69	49	2204.00.102.AF	National Cadet Corps	5,203.93	4,390.01	86.25
70	49	2204.00.104.AR	Grants to Sports Development Authority of Tamil Nadu for Financial Assistance to Sports persons	748.12	582.24	378.77
71	49	2204.00.104.AS	Grants to Sports Development Authority of Tamil Nadu for Financial Assistance to Sports Associations	480.75	367.15	236.40
(B) Capital (Voted)						
72	20	4202.01.203.JB	Buildings - Executed by Technical Education Wing	11,482.55	10,000.64	2,002.23
73	21	4059.01.051.KT	Construction of Buildings - Chief Engineer (General) Highways	590.08	470.00	270.00

State Finance Audit Report, Tamil Nadu for the year ended March 2020

Sl. No.	Grant No	Head of Account	Nomenclature	(`in lakh)		
				Original provision	Actual Expenditure	Supplementary provision
74	21	5054.03.337.JI	Comprehensive Road Infrastructure Development Programme (CRIDP) - State Highways	1,32,218.00	1,16,802.52	179.00
75	21	5054.04.101.JE	Construction / Reconstruction of Bridges	3,831.97	3,079.84	335.79
76	21	5054.04.101.JH	Chennai Metropolitan Development Plan - Traffic and Transport Improvement in Chennai City	3,664.27	2,672.15	430.02
77	29	5452.01.101.PA	Asian Development Bank assisted Inclusive Tourism Infrastructure Project	5,000.00	4,795.70	3,034.40
78	32	4250.00.203.JG	Development of I.T.I.s - Land and Buildings	7,141.95	5,665.36	1,446.78
79	39	4059.01.051.JC	Land Revenue	14,286.51	10,968.01	1,590.02
80	39	4059.01.051.JG	Administration of Justice	16,215.62	13,088.95	3,037.43
81	39	4059.01.051.JJ	Public Works	3,923.19	2,798.23	55.02
82	39	4210.01.110.JA	Buildings	35,678.23	33,179.52	1,533.28
83	39	4210.02.103.JA	Buildings	273.14	206.29	140.00
84	39	4216.01.106.JO	Law Department - Housing Scheme	4,423.14	2,677.33	76.41
85	45	4235.02.106.JV	Strengthening the existing building of child care Institutions run by the Government	1,236.00	934.99	100.02
86	52	4235.02.101.SA	Scheme for Implementation of Persons with Disabilities Act - (SIPDA)	301.55	297.94	363.93
Total				11,55,681.36	10,51,576.31	98,026.19

(Source: Detailed Appropriation Accounts for the year 2019-20)

Appendix 3.3
(Reference: Paragraph 3.3.5 and 3.6.2.3)
Excessive / insufficient re-appropriation of funds

Sl. No.	Grant No.	Name of the grant	Head of Account	(` in lakh)	
				Re-appropriation	Final Excess (+)/ Savings (-)
Savings occurred under the following					
1	04	Adi-Dravidar and Tribal Welfare Department	2225.01.277.AA	3,219.25	(-) 203.44
2	04	Adi-Dravidar and Tribal Welfare Department	2225.01.277.AE	2,020.52	(-) 2,031.31
3	04	Adi-Dravidar and Tribal Welfare Department	2225.01.283.JA	(-) 263.16	(-) 219.06
4	04	Adi-Dravidar and Tribal Welfare Department	2225.02.277.JZ	201.93	(-) 355.73
5	04	Adi-Dravidar and Tribal Welfare Department	4225.01.277.JN	(-) 8,236.54	(-) 1,763.46
6	04	Adi-Dravidar and Tribal Welfare Department	4225.02.796.JA	(-) 1,383.34	(-) 224.18
7	05	Agriculture Department	2401.00.114.SC	(-) 245.47	(-) 6,294.18
8	05	Agriculture Department	2401.00.793.SI	(-) 1,475.79	(-) 376.83
9	05	Agriculture Department	2415.01.120.PF	207.62	(-) 403.35
10	05	Agriculture Department	2435.01.101.AB	792.57	(-) 757.59
11	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	2225.03.277.AA	(-) 628.02	(-) 1,065.69
12	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	2225.03.277.BC	(-) 1,918.55	(-) 563.13
13	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	2225.03.277.KO	(-) 475.33	(-) 2,988.91
14	10	Commercial Taxes (Commercial Taxes and Registration Department)	2040.00.001.JB	(-) 2.16	(-) 864.98
15	16	Finance Department	2054.00.098.AF	1,020.59	(-) 430.45
16	16	Finance Department	2425.00.101.AC	354.86	(-) 368.75
17	16	Finance Department	7610.00.202.AH	(-) 1,196.61	(-) 287.90
18	16	Finance Department	7610.00.800.AJ	179.99	(-) 418.34
19	19	Health and Family Welfare Department	2210.01.110.AB	4,836.28	(-) 625.77
20	19	Health and Family Welfare Department	2210.01.110.AN	(-) 201.51	(-) 252.24
21	19	Health and Family Welfare Department	2210.01.110.AX	301.23	(-) 295.73
22	19	Health and Family Welfare Department	2210.01.110.DH	1,306.91	(-) 370.25
23	19	Health and Family Welfare Department	2210.01.110.DK	111.66	(-) 554.02
24	19	Health and Family Welfare Department	2210.01.110.DM	184.42	(-) 239.13
25	19	Health and Family Welfare Department	2210.05.105.AB	2,639.77	(-) 2,139.31
26	19	Health and Family Welfare Department	2210.05.105.AC	2,770.65	(-) 201.40
27	19	Health and Family Welfare Department	2210.05.105.BO	1,246.86	(-) 290.80
28	19	Health and Family Welfare Department	2210.06.001.AL	318.84	(-) 244.72
29	19	Health and Family Welfare Department	2210.06.101.AT	511.65	(-) 366.54
30	19	Health and Family Welfare Department	2211.00.793.SA	(-) 367.06	(-) 219.37
31	20	Higher Education Department	2202.03.102.AF	1,027.18	(-) 491.19

State Finance Audit Report, Tamil Nadu for the year ended March 2020

Sl. No.	Grant No.	Name of the grant	Head of Account	(<i>₹ in lakh</i>)	
				Re-appropriation	Final Excess (+)/ Savings (-)
32	20	Higher Education Department	2202.03.103.AA	5,487.69	(-) 2,241.77
33	20	Higher Education Department	2203.00.105.AA	(-) 3,332.71	(-) 764.40
34	20	Higher Education Department	2203.00.108.AA	(-) 408.76	(-) 331.89
35	21	Highways and Minor Ports Department	3054.80.001.AC	251.21	(-) 209.02
36	21	Highways and Minor Ports Department	3054.80.001.AE	1,690.08	(-) 2,026.73
37	21	Highways and Minor Ports Department	5054.03.337.JI	(-) 14,339.35	(-) 1,255.13
38	21	Highways and Minor Ports Department	5054.80.800.JE	4,907.78	(-) 2,728.34
39	21	Highways and Minor Ports Department	5054.80.800.PC	(-) 10,793.41	(-) 299.31
40	22	Police (Home, Prohibition and Excise Department)	2055.00.101.AA	(-) 653.70	(-) 270.55
41	22	Police (Home, Prohibition and Excise Department)	2055.00.101.AB	2,573.37	(-) 3,107.23
42	22	Police (Home, Prohibition and Excise Department)	2055.00.101.AU	(-) 976.51	(-) 368.75
43	22	Police (Home, Prohibition and Excise Department)	2055.00.109.AA	(-) 22,810.41	(-) 1,609.16
44	22	Police (Home, Prohibition and Excise Department)	2055.00.109.AL	(-) 6,690.20	(-) 1,106.62
45	22	Police (Home, Prohibition and Excise Department)	2055.00.115.AA	(-) 8,239.97	(-) 226.60
46	22	Police (Home, Prohibition and Excise Department)	2055.00.800.AE	(-) 2,222.19	(-) 6,960.27
47	24	Prisons (Home, Prohibition and Excise Department)	2056.00.101.AA	(-) 8.24	(-) 492.93
48	26	Housing and Urban Development Department	2216.80.001.AB	285.02	(-) 249.34
49	28	Information and Publicity (Tamil Development and Information Department)	2220.01.105.AI	283.85	(-) 320.54
50	30	Stationery and Printing (Tamil Development and Information Department)	2058.00.103.AF	274.81	(-) 248.84
51	34	Municipal Administration and Water Supply Department	2217.80.001.AD	604.81	(-) 603.71
52	34	Municipal Administration and Water Supply Department	3604.00.192.SA	(-) 0.29	(-) 7,446.04
53	34	Municipal Administration and Water Supply Department	4215.01.102.JA	3,850.29	(-) 660.82
54	35	Personnel and Administrative Reforms Department	2075.00.800.GZ	(-) 37.20	(-) 279.03
55	38	Public Department	2235.60.200.AK	215.15	(-) 206.84
56	39	Buildings (Public Works Department)	4059.01.800.AA	(-) 22.69	(-) 1,173.65
57	39	Buildings (Public Works Department)	4215.01.800.JW	(-) 10.71	(-) 808.83
58	39	Buildings (Public Works Department)	4216.80.800.JU	(-) 12.69	(-) 692.07
59	39	Buildings (Public Works Department)	4225.03.800.JA	(-) 3.86	(-) 257.49
60	39	Buildings (Public Works Department)	4403.00.800.JA	(-) 10.84	(-) 623.88
61	41	Revenue and Disaster Management Department	2053.00.094.AB	1,635.25	(-) 525.86
62	41	Revenue and Disaster Management Department	2053.00.094.AC	2,836.74	(-) 823.39
63	41	Revenue and Disaster Management Department	2053.00.094.FT	224.96	(-) 200.00
64	41	Revenue and Disaster Management Department	2235.60.102.UA	(-) 13,685.00	(-) 1,915.60
65	41	Revenue and Disaster Management Department	2235.60.102.UC	(-) 354.38	(-) 201.08
66	41	Revenue and Disaster Management Department	2235.60.200.KX	(-) 1,859.27	(-) 207.92

Sl. No.	Grant No.	Name of the grant	Head of Account	(` in lakh)	
				Re-appropriation	Final Excess (+)/ Savings (-)
67	41	Revenue and Disaster Management Department	2235.60.793.UA	(-) 4,644.51	(-) 421.04
68	43	School Education Department	2202.02.105.UA	2,264.21	(-) 236.44
69	45	Social Welfare and Nutritious Meal Programme Department	2235.60.102.AP	240.30	(-) 584.69
70	49	Youth Welfare and Sports Development Department	2204.00.104.AR	(-) 44.65	(-) 500.00
71	50	Pension and Other Retirement Benefits	2071.01.101.AA	(-) 1,46,440.45	(-) 852.75
72	56	Debt Charges	2049.01.101.LA	2,31,161.00	(-) 17,773.50
73	56	Debt Charges	2049.03.104.AA	(-) 1,486.43	(-) 2,646.68
74	56	Debt Charges	2049.03.104.AN	9,659.87	(-) 206.49
75	56	Debt Charges	2049.03.117.AM	2,089.62	(-) 2,089.63
76	56	Debt Charges	2049.60.101.BM	243.85	(-) 293.86
77	56	Debt Charges	2049.60.101.EE	246.00	(-) 396.01
Total - Savings				(-) 93,352.47	
Excess occurred under the following					
1	03	Administration of Justice	2014.00.105.AB	(-) 2,528.64	241.77
2	03	Administration of Justice	2014.00.800.AL	(-) 168.27	256.61
3	04	Adi-Dravidar and Tribal Welfare Department	2225.01.277.KJ	(-) 499.97	575.88
4	04	Adi-Dravidar and Tribal Welfare Department	2225.01.277.KO	(-) 366.35	261.63
5	04	Adi-Dravidar and Tribal Welfare Department	2225.02.277.AA	(-) 9,437.76	211.24
6	04	Adi-Dravidar and Tribal Welfare Department	2225.02.277.SA	605.86	354.68
7	05	Agriculture Department	2401.00.109.AK	5,921.90	511.10
8	05	Agriculture Department	2401.00.800.KL	(-) 4,054.99	311.13
9	05	Agriculture Department	2435.01.101.AC	(-) 1,071.16	270.02
10	06	Animal Husbandry (Animal Husbandry, Dairying and Fisheries Department)	2403.00.101.AA	(-) 8,967.83	866.00
11	10	Commercial Taxes (Commercial Taxes and Registration Department)	2040.00.101.AB	(-) 87.76	313.27
12	13	Food and Consumer Protection (Co-operation, Food and Consumer Protection Department)	3456.00.001.AB	141.97	209.92
13	14	Energy Department	6801.00.800.AI	(-) 60,223.75	9,964.81
14	16	Finance Department	2054.00.098.AD	(-) 213.38	282.10
15	16	Finance Department	2235.60.200.AY	(-) 455.15	683.88
16	19	Health and Family Welfare Department	2210.01.110.AA	3,571.94	283.56
17	19	Health and Family Welfare Department	2210.01.110.AC	101.94	433.64
18	19	Health and Family Welfare Department	2210.01.110.AJ	(-) 776.94	253.54
19	19	Health and Family Welfare Department	2210.01.110.AP	40.38	228.71
20	19	Health and Family Welfare Department	2210.01.110.AW	(-) 4,772.72	2,049.53
21	19	Health and Family Welfare Department	2210.01.110.CM	236.26	220.98
22	19	Health and Family Welfare Department	2210.01.110.EB	61.92	374.10
23	19	Health and Family Welfare Department	2210.01.110.EC	1,136.68	354.12

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Sl. No.	Grant No.	Name of the grant	Head of Account	(<i>₹ in lakh</i>)	
				Re-appropriation	Final Excess (+)/ Savings (-)
24	19	Health and Family Welfare Department	2210.03.103.BI	(-) 3,304.24	602.23
25	19	Health and Family Welfare Department	2210.04.104.AA	384.85	233.59
26	19	Health and Family Welfare Department	2210.05.105.AA	1,911.24	1,539.69
27	19	Health and Family Welfare Department	2210.05.105.AL	5,298.72	352.56
28	19	Health and Family Welfare Department	2210.05.105.BB	722.77	290.43
29	19	Health and Family Welfare Department	2210.05.105.BD	(-) 88.21	485.12
30	19	Health and Family Welfare Department	2210.05.105.BM	(-) 831.52	201.17
31	19	Health and Family Welfare Department	2210.05.105.CA	510.61	380.35
32	20	Higher Education Department	2202.03.102.AA	4,195.58	999.99
33	20	Higher Education Department	2202.03.104.AA	(-) 7,754.47	5,499.36
34	21	Highways and Minor Ports Department	3054.04.337.AA	(-) 5,426.13	448.93
35	21	Highways and Minor Ports Department	3054.04.337.AB	(-) 18,699.10	305.51
36	21	Highways and Minor Ports Department	3054.80.001.JX	14,633.05	284.75
37	22	Police (Home, Prohibition and Excise Department)	2055.00.001.AA	(-) 7,568.99	483.79
38	22	Police (Home, Prohibition and Excise Department)	2055.00.101.AY	(-) 453.04	227.97
39	22	Police (Home, Prohibition and Excise Department)	2055.00.108.AB	(-) 5,694.98	510.77
40	28	Information and Publicity (Tamil Development and Information Department)	2220.60.800.AX	(-) 270.77	234.92
41	32	Labour and Employment Department	2230.03.789.JB	(-) 2,209.25	846.60
42	32	Labour and Employment Department	2230.03.800.JB	(-) 4,957.80	3,988.94
43	34	Municipal Administration and Water Supply Department	4217.60.800.JP	(-) 4,400.00	4,400.00
44	38	Public Department	2015.00.103.AA	(-) 749.09	262.30
45	38	Public Department	2015.00.105.AB	(-) 6,770.85	477.79
46	39	Buildings (Public Works Department)	4202.04.800.JW	(-) 28.03	340.42
47	39	Buildings (Public Works Department)	4210.80.800.JA	(-) 36.50	699.63
48	39	Buildings (Public Works Department)	4210.80.800.UW	(-) 0.20	658.47
49	40	Irrigation (Public Works Department)	2701.80.001.AF	(-) 1,876.40	386.81
50	40	Irrigation (Public Works Department)	4700.01.206.JA	(-) 70,045.43	308.49
51	41	Revenue and Disaster Management Department	2029.00.102.AG	713.71	728.52
52	41	Revenue and Disaster Management Department	2053.00.094.DX	1,478.00	1,516.23
53	41	Revenue and Disaster Management Department	2235.60.200.JC	1,564.15	330.92
54	42	Rural Development and Panchayat Raj Department	2216.03.789.JD	(-) 12,180.00	12,180.00
55	43	School Education Department	2202.01.101.AA	3,481.86	1,411.37
56	43	School Education Department	2202.01.101.AB	136.91	555.14
57	43	School Education Department	2202.01.101.AC	5,402.05	15,323.65
58	43	School Education Department	2202.01.101.AD	9,876.57	4,833.77
59	43	School Education Department	2202.01.101.UA	5,177.80	5,409.07
60	43	School Education Department	2202.01.102.AD	5,429.21	7,729.43
61	43	School Education Department	2202.01.104.AA	(-) 1,632.46	1,421.28
62	43	School Education Department	2202.01.793.UA	1,716.34	1,793.00

Sl. No.	Grant No.	Name of the grant	Head of Account	(<i>₹ in lakh</i>)	
				Re-appropriation	Final Excess (+)/ Savings (-)
63	43	School Education Department	2202.02.101.AA	(-) 1,460.32	359.15
64	43	School Education Department	2202.02.109.AA	(-) 9,190.08	22,646.92
65	43	School Education Department	2202.02.109.AB	4,751.71	624.56
66	43	School Education Department	2202.02.109.AZ	4,135.45	835.04
67	43	School Education Department	2202.02.109.BC	2,223.74	965.80
68	43	School Education Department	2202.02.109.KH	7,028.13	716.91
69	43	School Education Department	2202.02.110.AA	(-) 809.89	12,482.21
70	43	School Education Department	2251.00.090.AX	(-) 366.88	275.09
71	44	Micro, Small and Medium Enterprises Department	2851.00.800.JB	(-) 370.94	401.04
72	45	Social Welfare and Nutritious Meal Programme Department	2236.02.101.JN	2,707.00	2,462.16
73	45	Social Welfare and Nutritious Meal Programme Department	2236.02.102.KL	10,028.32	1,196.79
74	45	Social Welfare and Nutritious Meal Programme Department	2236.02.102.KN	(-) 5,203.89	531.10
75	51	Relief on account of Natural Calamities	2245.02.800.BU	(-) 26,164.63	7,319.81
76	51	Relief on account of Natural Calamities	2245.80.800.AA	(-) 13.53	213.04
77	51	Relief on account of Natural Calamities	2245.80.800.AH	4,680.10	5,826.00
78	54	Forests (Environment and Forests Department)	2406.01.001.AB	409.60	637.08
79	54	Forests (Environment and Forests Department)	4406.01.070.JB	2,511.57	274.02
80	56	Debt Charges	2049.01.305.AA	(-) 247.10	230.24
81	56	Debt Charges	2049.60.101.CT	(-) 199.99	219.19
Total - Excess					1,56,411.33

(Source: Detailed Appropriation Accounts for the year 2019-20)

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	04	2225.01.277.AE	2,94,93,63,000	20,20,52,000	2,94,82,83,657
2	04	2225.02.277.JZ	11,61,06,000	2,01,93,000	10,07,25,673
3	05	2401.00.115.KM	75,06,41,000	12,31,000	74,97,53,749
4	05	2401.00.794.SB	20,03,000	1,46,09,000	26,250
5	05	2415.01.120.PF	15,48,40,000	2,07,62,000	13,52,67,000
6	05	2435.01.102.AA	3,60,96,000	64,85,000	3,53,47,447
7	07	2405.00.001.AA	6,26,87,000	31,17,000	6,19,41,579
8	16	7610.00.800.AJ	27,20,01,000	1,79,99,000	24,81,66,087
9	17	2851.00.103.KR	26,00,01,000	29,05,000	25,36,82,769
10	18	2851.00.105.AN	5,94,26,000	5,39,000	5,94,25,000
11	19	2210.01.110.AK	61,61,23,000	7,22,000	59,74,61,589
12	19	2210.01.110.DK	38,10,82,000	1,11,66,000	33,68,45,672
13	19	4210.03.200.JA	6,52,93,000	43,73,000	3,17,01,708
14	21	3054.80.001.AE	1,34,77,92,000	1,69,00,000	1,31,41,26,947
15	21	5054.03.101.JD	1,32,62,000	49,73,000	11,79,855
16	21	5054.80.800.AA	24,52,000	11,30,000	24,50,439
17	22	2055.00.101.AB	2,38,02,72,000	25,73,37,000	2,32,68,85,849
18	22	2055.00.109.AK	22,93,42,000	8,48,000	22,06,73,312
19	28	2220.01.105.AI	3,65,31,000	2,83,85,000	3,28,62,202
20	29	2205.00.103.AA	2,88,57,000	5,74,000	2,59,52,260
21	29	4202.04.101.JE	1,00,03,000	14,04,000	80,92,270
22	32	2230.01.101.AA	17,80,19,000	64,91,000	16,55,54,478
23	32	2230.03.101.JU	6,97,99,000	3,24,000	6,90,55,814
24	35	2225.80.800.AB	3,99,86,000	7,58,000	3,95,71,171
25	38	2070.00.105.DA	1,08,31,000	1,04,000	1,02,43,992
26	39	2059.80.001.BE	11,13,94,000	28,89,000	11,13,20,191
27	40	2701.80.001.AM	26,23,74,000	37,32,000	25,97,38,866
28	40	4701.03.437.JA	5,53,68,000	4,79,000	5,49,75,052
29	41	2029.00.105.AA	2,72,97,000	2,42,000	2,24,21,240
30	45	2235.60.102.AP	1,15,42,92,000	2,40,30,000	1,11,98,53,184
31	51	2245.02.101.AE	2,99,21,000	14,90,000	2,93,51,044
32	56	2049.01.305.AB	80,00,000	14,39,000	66,66,660
Total			11,72,14,54,000	65,96,82,000	11,37,96,03,006

(Source: Detailed Appropriation Accounts for the year 2019-20)

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	Supplementary	Re-appropriation	Actual Expenditure
A – Revenue - Voted							
1	05	2401.00.104.AF	Integrated Farming	101.62	--	(-) 101.62	--
2	14	2801.80.101.AG	Hydel Swing Support Scheme	125.00	--	(-) 125.00	--
3	19	2210.01.110.PC	Tamil Nadu Urban Health Care Project	139.89	--	(-) 139.89	--
4	41	2235.60.200.LA	Comprehensive Accident - cum - Life Insurance Scheme	164.82	--	(-) 164.82	--
5	42	2235.02.103.PE	World Bank aided Tamil Nadu Rural Transformation Project (TNPVP Phase-II)	118.68	--	(-) 118.68	--
B – Capital – Voted							
6	08	4404.00.102.JF	NABARD assisted schemes for providing infrastructure facilities to Dairies and expansion of Cattle Feeds	200.00	--	(-) 200.00	--
7	16	5475.00.115.PA	First Loss Catalytic Capital for Investments into Tamil Nadu Infrastructure Fund under TNIPP Phase-2	270.00	--	(-) 270.00	--
8	19	4210.01.200.PA	Civil Works towards Tamil Nadu Urban Health Care Project	103.03	--	(-) 103.03	--
9	26	4217.60.190.JH	Share Capital Assistance to Chennai Metro Rail Limited	750.00	--	(-) 750.00	--
10	26	4217.60.190.JY	State Government share in Extension of MRTS from Velachery to St. Thomas Mount	109.12	--	(-) 109.12	--
11	29	5452.01.101.LD	Tourism Promotion Project	100.00	--	(-) 100.00	--
12	34	4215.01.190.PH	Setting up of 400 MLD Capacity Sea Water Reverse Osmosis (SWRO) Desalination plant at Perur, Chennai	280.46	--	(-) 280.46	--
13	34	4215.01.190.JA	Share Capital Assistance to CMWSS Board for 150 MLD Desalination Plant at Nemmeli	237.68	--	(-) 237.68	--
14	40	4702.00.101.KA	Long Term Flood Mitigation Works under NABARD	285.00	--	(-) 285.00	--
Total				2,985.30	--	(-) 2,985.30	--

(Source: Detailed Appropriation Accounts for the year 2019-20)

Appendix 3.6
(Reference: Paragraph 3.3.5)

Withdrawal of entire Provision towards interest liability under Major Head '8342'

(in ₹)

Sl. No.	Head of Account	Nomenclature	Original	Supp	Re-appropriation	Final Modified Grant	Expenditure
1	2049.60.101.BR	Interest on the Deposits of Ramanathapuram Market Committee	30,00,000	--	(-) 29,99,000	1,000	--
2	2049.60.101.BS	Interest on the Deposits of Tirunelveli Market Committee	15,00,000	--	(-) 14,99,000	1,000	--
3	2049.60.101.CT	Interest on Deposits of Chennai University	2,00,00,000	--	(-) 1,99,99,000	1,000	2,19,20,185
4	2049.60.101.CU	Interest on Deposits of Annamalai University	50,00,000	--	(-) 4,99,9000	1,000	--
5	2049.60.101.DX	Interest on Deposits of Tamil Nadu Dr. M.G.R Medical University	40,00,000	--	(-) 39,99,000	1,000	--
6	2049.60.101.ER	Interest on 60% Pay Commission Arrears to Tamil Nadu Government Servants	1,50,000	--	(-) 1,49,000	1,000	5,42,700
7	2049.60.101.ES	Interest on 60% Pay Commission Arrears to Teaching / Non-Teaching Staff of Aided High / Higher Secondary / Ango Indian Schools	74,000	--	(-) 73,000	1,000	--
8	2049.60.101.EX	Interest on Deposit of Water and Sanitation Pooled Fund	80,00,000	--	(-) 79,99,000	1,000	--
Total			4,17,24,000	--	(-) 4,17,16,000	8,000	2,24,62,885

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	Supplementary Provision	Re-appropriation	Actual Expenditure
1	04	Adi-Dravidar and Tribal Welfare Department	2225.02.277.BC (V)	4,00,000	--	(-) 4,00,000	4,00,000
2	04	Adi-Dravidar and Tribal Welfare Department	2225.02.277.BD (V)	2,50,000	--	(-) 2,50,000	2,50,000
3	05	Agriculture Department	2401.00.789.AC (V)	9,50,00,000	--	(-) 9,50,00,000	2,25,052
4	19	Health and Family Welfare Department	2210.05.105.BS (V)	32,59,000	--	(-) 32,59,000	7,60,110
5	19	Health and Family Welfare Department	2210.05.105.BU (V)	--	9,33,000	(-) 9,33,000	5,16,399
6	19	Health and Family Welfare Department	2210.05.105.CF (V)	--	9,33,000	(-) 9,33,000	9,14,789
7	22	Police (Home, Prohibition and Excise Department)	7610.00.201.AE (V)	5,00,00,000	--	(-) 5,00,00,000	40,14,500
8	27	Industries Department	2053.00.094.CK (V)	14,89,000	--	(-) 14,89,000	1,58,708
9	27	Industries Department	2852.80.800.BB (V)	2,00,00,000	--	(-) 2,00,00,000	2,00,00,000
10	27	Industries Department	2852.80.800.JG (V)	3,000	25,63,000	(-) 25,66,000	25,62,502
11	29	Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	5452.01.101.LE (V)	--	24,00,000	(-) 24,00,000	24,00,000
12	35	Personnel and Administrative Reforms Department	4070.00.800.KM (V)	--	1,00,00,000	(-) 1,00,00,000	12,73,588
13	38	Public Department	2015.00.105.AA (V)	15,000	--	(-) 15,000	1,55,225
14	38	Public Department	2015.00.106.AA (C)	2,000	9,99,000	(-) 10,01,000	40,000
15	38	Public Department	2070.00.800.AS (V)	46,15,000	--	(-) 46,15,000	9,98,440
16	38	Public Department	2235.60.200.AP (V)	1,57,000	--	(-) 1,57,000	8,000
17	42	Rural Development and Panchayat Raj Department	2216.03.789.JD (V)	1,21,80,00,000	--	(-) 1,21,80,00,000	1,21,80,00,000
18	43	School Education Department	2202.02.800.AV (V)	5,00,00,000	--	(-) 5,00,00,000	75,000
19	44	Micro, Small and Medium Enterprises Department	2851.00.101.AC (V)	28,55,000	--	(-) 28,55,000	51,736
20	44	Micro, Small and Medium Enterprises Department	2851.00.101.AG (V)	17,74,000	--	(-) 17,74,000	2,237
21	44	Micro, Small and Medium Enterprises Department	2851.00.101.AL (V)	13,03,000	--	(-) 13,03,000	25,749
22	47	Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	2250.00.800.AB (V)	6,00,00,000	1,000	(-) 6,00,01,000	1,41,35,760

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(In ₹)

Sl. No	Grant No	Name of the Grant	Head of Account*	Original Provision	Supplementary Provision	Re-appropriation	Actual Expenditure
23	51	Relief on account of Natural Calamities	2245.02.193.AX (V)	1,000	15613000	(-) 1,56,14,000	1,56,12,800
24	51	Relief on account of Natural Calamities	2245.80.102.AD (V)	2,000	62,04,000	(-) 62,06,000	62,03,905
25	51	Relief on account of Natural Calamities	2245.80.800.AB (V)	2,000	5,50,000	(-) 5,52,000	5,49,997
Total				1,50,91,27,000	4,01,96,000	(-) 1,54,93,23,000	1,28,93,34,497

* V – Voted, C - Charged

(Source: Detailed Appropriation Accounts for the year 2019-20)

Appendix 3.8
(Reference: Paragraph 3.3.6.1)

Grants in which savings more than ₹ 100 crore

(₹ in crore)

Sl. No.	Grant Number	Name of the Grant/ Appropriation	Original	Suppleme ntary	Total	Actual Expenditure	Savings
A – Revenue (Voted)							
1	04	Adi-Dravidar and Tribal Welfare Department	3,668.18	0.01	3,668.19	3,487.05	(-) 181.14
2	05	Agriculture Department	10,001.41	265.28	10,266.69	10,040.36	(-) 226.33
3	07	Fisheries (Animal Husbandry, Dairying and Fisheries Department)	581.56	21.73	603.29	486.55	(-) 116.74
4	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	902.87	58.97	961.84	819.49	(-) 142.35
5	14	Energy Department	9,217.85	2.49	9,220.34	8,755.98	(-) 464.36
6	16	Finance Department	1,689.90	0.09	1,689.99	1,228.43	(-) 461.56
7	19	Health and Family Welfare Department	11,888.20	642.57	12,530.77	12,000.11	(-) 530.66
8	20	Higher Education Department	4,378.14	281.54	4,659.68	4,541.65	(-) 118.03
9	22	Police (Home, Prohibition and Excise Department)	7,645.13	954.35	8,599.48	7,802.66	(-) 796.82
10	26	Housing and Urban Development Department	3,315.40	47.09	3,362.49	2,561.77	(-) 800.72
11	27	Industries Department	2,647.95	1,005.97	3,653.92	2,692.13	(-) 961.79
12	34	Municipal Administration and Water Supply Department	10,698.43	58.83	10,757.26	8,727.13	(-) 2,030.13
13	41	Revenue and Disaster Management Department	6,106.94	183.06	6,290.00	5,904.75	(-) 385.25
14	42	Rural Development and Panchayat Raj Department	16,478.13	373.78	16,851.91	14,574.61	(-) 2,277.30
15	45	Social Welfare and Nutritious Meal Programme Department	5,271.98	419.32	5,691.30	5,507.80	(-) 183.50
16	50	Pension and Other Retirement Benefits	32,393.00	0.00	32,393.00	30,287.54	(-) 2,105.46
17	51	Relief on account of Natural Calamities	835.01	1,039.70	1,874.71	1,590.85	(-) 283.86
A – Revenue (Voted) Total			1,27,720.08	5,354.78	1,33,074.86	1,21,008.86	(-) 12,066.00
A – Revenue (Charged)							
18	56	<i>Debt Charges</i>	33,283.99	49.11	33,333.10	32,490.16	(-) 842.94
A – Revenue (Charged) Total			33,283.99	49.11	33,333.10	32,490.16	(-) 842.94
B – Capital (Voted)							
19	05	Agriculture Department	418.68	7.25	425.93	265.28	(-) 160.65
20	07	Fisheries (Animal Husbandry, Dairying and Fisheries Department)	346.29	67.28	413.57	268.55	(-) 145.02
21	08	Dairy Development (Animal Husbandry, Dairying and Fisheries Department)	200.00	0.00	200.00	0.00	(-) 200.00
22	13	Food and Consumer Protection (Co-operation, Food and Consumer Protection Department)	481.31	2.50	483.81	213.09	(-) 270.72

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(₹ in crore)

Sl. No.	Grant Number	Name of the Grant/ Appropriation	Original	Supplementary	Total	Actual Expenditure	Savings
23	16	Finance Department	770.00	0.00	770.00	1.59	(-) 768.41
24	19	Health and Family Welfare Department	674.27	93.33	767.60	417.17	(-) 350.43
25	21	Highways and Minor Ports Department	12,040.42	84.43	12,124.85	9,259.59	(-) 2,865.26
26	26	Housing and Urban Development Department	859.12	0.00	859.12	0.00	(-) 859.12
27	29	Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	161.95	35.89	197.84	60.55	(-) 137.29
28	34	Municipal Administration and Water Supply Department	7,482.90	5.00	7,487.90	4,412.20	(-) 3,075.70
29	39	Buildings (Public Works Department)	1,004.65	123.00	1,127.65	963.98	(-) 163.67
30	40	Irrigation (Public Works Department)	3,830.55	24.87	3,855.42	2,340.54	(-) 1,514.88
31	42	Rural Development and Panchayat Raj Department	1,795.48	518.65	2,314.13	2,011.75	(-) 302.38
32	43	School Education Department	384.31	0.00	384.31	220.63	(-) 163.68
33	48	Transport Department	145.00	996.45	1,141.45	999.82	(-) 141.63
B – Capital (Voted) Total			30,594.93	1958.65	32,553.58	21,434.74	(-) 11,118.84
C – Loan (Voted)							
34	05	Agriculture Department	130.75	0.00	130.75	0.21	(-) 130.54
35	14	Energy Department	660.96	1,063.00	1,723.96	1,248.37	(-) 475.59
36	26	Housing and Urban Development Department	2,091.00	0.00	2,091.00	321.25	(-) 1,769.75
C – Loan (Voted) Total			2,882.71	1,063.00	3,945.71	1,569.83	(-) 2,375.88
Grant Total			1,94,481.71	8,425.54	2,02,907.25	1,76,503.59	(-) 26,403.66

(Source: Appropriation Accounts for the year 2019-20)

Appendix 3.9
(Reference: Paragraph 3.3.6.2)

Cases of surrender of funds in excess of ₹ 10 crore on 31 March 2020

(₹ in crore)

Sl. No.	Grant Number	Major Head	Description	Amount surrendered
Grants				
1	03	2014	Administration of Justice	86.30
2	04	2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and other Minorities	108.50
3	04	4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, other Backward Classes and Minorities	14.37
4	05	2401	Crop Husbandry	126.61
5	05	2435	Other Agricultural Programmes	13.22
6	05	4401	Capital Outlay on Crop Husbandry	62.18
7	05	4402	Capital Outlay on Soil and Water Conservation	10.24
8	05	6401	Loans for Crop Husbandry	130.00
9	06	4403	Capital Outlay on Animal Husbandry	28.76
10	06	2403	Animal Husbandry	103.53
11	07	2405	Fisheries	60.18
12	08	4404	Capital Outlay on Dairy Development	10.00
13	08	2404	Dairy Development	10.68
14	09	2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and other Minorities	104.67
15	11	2030	Stamps and Registration	35.87
16	12	2425	Co-operation	19.31
17	12	4425	Capital Outlay on Co-operation	19.74
18	12	6425	Loans for Cooperation	10.62
19	14	6801	Loans for Power Projects	300.15
20	16	2054	Treasury and Accounts Administration	17.55
21	16	7610	Loans to Government Servants etc.	25.42
22	16	2075	Miscellaneous General Services	43.09
23	17	2851	Village and Small Industries	11.13
24	18	2851	Village and Small Industries	15.71
25	19	2210	Medical and Public Health	271.62
26	19	2211	Family Welfare	201.53
27	19	2235	Social Security and Welfare	75.91
28	20	2203	Technical Education	184.02
29	20	4202	Capital Outlay on Education, Sports, Art and Culture	47.15
30	21	3054	Roads and Bridges	68.70
31	21	5054	Capital Outlay on Roads and Bridges	303.73
32	22	2055	Police	678.77

(₹ in crore)

Sl. No.	Grant Number	Major Head	Description	Amount surrendered
33	22	2235	Social Security and Welfare	13.50
34	22	4055	Capital Outlay on Police	29.20
35	22	2052	Secretariat - General Services	40.61
36	23	2070	Other Administrative Services	15.19
37	24	2056	Jails	11.74
38	25	2041	Taxes on Vehicles	15.42
39	26	7610	Loans to Government Servants etc.	20.12
40	26	2216	Housing	665.82
41	26	4217	Capital Outlay on Urban Development	250.00
42	26	6217	Loans for Urban Development	58.73
43	28	2220	Information and Publicity	12.57
44	29	2205	Art and Culture	15.55
45	29	5452	Capital Outlay on Tourism	129.00
46	31	2852	Industries	23.72
47	32	2230	Labour, Employment and Skill Development	55.10
48	34	3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	759.18
49	34	4215	Capital Outlay on Water Supply and Sanitation	103.00
50	34	3475	Other General Economic Services	35.04
51	34	2217	Urban Development	291.04
52	34	2215	Water Supply and Sanitation	87.50
53	34	4217	Capital Outlay on Urban Development	875.47
54	38	2015	Elections	80.95
55	39	2059	Public Works	11.53
56	39	4059	Capital Outlay on Public Works	69.24
57	39	4210	Capital Outlay on Medical and Public Health	42.82
58	39	4220	Capital Outlay on Information and Publicity	12.42
59	40	4700	Capital Outlay on Major Irrigation	45.89
60	40	4702	Capital Outlay on Minor Irrigation	28.77
61	41	2235	Social Security and Welfare	242.38
62	41	4216	Capital Outlay on Housing	10.46
63	41	2070	Other Administrative Services	15.22
64	42	2215	Water Supply and Sanitation	215.53
65	42	2235	Social Security and Welfare	72.92
66	42	2501	Special Programmes for Rural Development	92.28
67	42	2505	Rural Employment	48.25
68	42	3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	872.01
69	42	4515	Capital Outlay on other Rural Development Programmes	111.93

(₹ in crore)

Sl. No.	Grant Number	Major Head	Description	Amount surrendered
70	43	2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and other Minorities	17.81
71	43	4202	Capital Outlay on Education, Sports, Art and Culture	41.53
72	44	2851	Village and Small Industries	21.72
73	44	4851	Capital Outlay on Village and Small Industries	25.40
74	45	2236	Nutrition	128.64
75	45	2235	Social Security and Welfare	95.67
76	47	2250	Other Social Services	12.73
77	48	3055	Road Transport	37.45
78	48	5053	Capital Outlay on Civil Aviation	138.51
79	49	2204	Sports and Youth Services	15.53
80	50	2071	Pensions and other Retirement Benefits	573.10
81	51	2245	Relief on account of Natural Calamities	299.98
82	52	2235	Social Security and Welfare	29.86
83	54	2406	Forestry and Wild Life	40.87
Appropriations				
84	03	2014	<i>Administration of Justice</i>	71.91
85	35	2051	<i>Public Service Commission</i>	12.39
86	40	4215	<i>Capital Outlay on Water Supply and Sanitation</i>	42.99
87	50	2071	<i>Pensions and other Retirement Benefits</i>	14.15
88	56	2049	<i>Interest Payments</i>	12.38
Total				10,311.98

(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 Surrendered	Savings which remained to be surrendered
I Grants					
A - Revenue					
1	04	Adi-Dravidar and Tribal Welfare Department	181.14	168.05	13.09
2	05	Agriculture Department	226.34	160.48	65.86
3	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	142.35	106.52	35.83
4	10	Commercial Taxes (Commercial Taxes and Registration Department)	11.43	6.19	5.24
5	21	Highways and Minor Ports Department	83.54	69.16	14.38
6	22	Police (Home, Prohibition and Excise Department)	796.83	745.36	51.47
7	24	Prisons (Home, Prohibition and Excise Department)	17.80	11.74	6.06
8	25	Motor Vehicles Acts - Administration (Home, Prohibition and Excise Department)	54.65	15.91	38.74
9	26	Housing and Urban Development Department	800.73	798.63	2.10
10	29	Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	22.59	20.51	2.08
11	30	Stationery and Printing (Tamil Development and Information Department)	7.18	1.45	5.73
12	34	Municipal Administration and Water Supply Department	2,030.13	1766.48	263.65
13	35	Personnel and Administrative Reforms Department	7.03	5.01	2.02
14	41	Revenue and Disaster Management Department	385.25	366.35	18.90
15	49	Youth Welfare and Sports Development Department	21.96	15.62	6.34
16	50	Pension and Other Retirement Benefits	2,105.47	2,096.34	9.13
B - Capital					
17	04	Adi-Dravidar and Tribal Welfare Department	42.55	23.72	18.83
18	21	Highways and Minor Ports Department	2,865.26	2,817.95	47.31
19	40	Irrigation (Public Works Department)	1,514.88	1,170.69	344.19
C - Loans					
20	16	Finance Department	37.43	29.68	7.75
Total			11,354.54	10,395.84	958.70
II Appropriations					
A - Revenue					
21	04	Adi-Dravidar and Tribal Welfare Department	4.82	2.63	2.19
22	56	Debt Charges	842.94	449.28	393.66
Total			847.76	451.91	395.85
Grand Total			12,202.30	10,847.75	1,354.55

(Source: Appropriation Accounts for the year 2019-20)

Appendix 3.11
(Reference: Paragraph 3.3.6.2)
Surrender more than savings under the Grant/Appropriation

(₹ in lakh)

Sl. No.	Grant No.	Name of the grant	Savings	Surrendered	Difference
Revenue - Voted					
1	01	State Legislature	189.45	312.20	122.75
2	02	Governor and Council of Ministers	684.52	717.14	32.62
3	03	Administration of Justice	8,691.28	9,359.03	667.75
4	06	Animal Husbandry (Animal Husbandry, Dairying and Fisheries Department)	9,734.67	10,706.59	971.92
5	07	Fisheries (Animal Husbandry, Dairying and Fisheries Department)	11,673.75	11,729.52	55.77
6	08	Dairy Development (Animal Husbandry, Dairying and Fisheries Department)	1,054.05	1,068.03	13.98
7	11	Stamps and Registration (Commercial Taxes and Registration Department)	3,628.25	3,694.74	66.49
8	12	Co-operation (Co-operation, Food and Consumer Protection Department)	1,700.78	1,987.44	286.66
9	14	Energy Department	46,435.88	46,437.04	1.16
10	15	Environment (Environment and Forests Department)	166.99	200.19	33.20
11	16	Finance Department	46,156.26	46,585.38	429.12
12	17	Handlooms and Textiles (Handlooms, Handicrafts, Textiles and Khadi Department)	6,681.81	6,703.00	21.19
13	19	Health and Family Welfare Department	53,066.97	55,285.97	2,219.00
14	20	Higher Education Department	11,803.04	15,132.31	3,329.27
15	23	Fire and Rescue Services (Home, Prohibition and Excise Department)	3,386.96	3,544.32	157.36
16	27	Industries Department	96,178.88	96,330.64	151.76
17	31	Information Technology Department	4,698.39	4,701.35	2.96
18	32	Labour and Employment Department	1,180.07	6,652.19	5,472.12
19	33	Law Department	511.58	511.77	0.19
20	36	Planning, Development and Special Initiatives Department	990.98	1,006.17	15.19
21	37	Prohibition and Excise (Home, Prohibition and Excise Department)	232.96	300.23	67.27
22	38	Public Department	8,044.69	9,148.63	1,103.94
23	39	Buildings (Public Works Department)	1,150.47	1,372.42	221.95
24	42	Rural Development and Panchayat Raj Department	2,27,729.68	2,40,112.80	12,383.12
25	44	Micro, Small and Medium Enterprises Department	2,064.73	2,694.48	629.75
26	45	Social Welfare and Nutritious Meal Programme Department	18,349.92	22,464.07	4,114.15
27	47	Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	2,660.52	2,996.45	335.93
28	51	Relief on account of Natural Calamities	28,386.67	29,998.47	1,611.80
29	53	Department of Special Programme Implementation	202.81	203.65	0.84
30	54	Forests (Environment and Forests Department)	2,123.57	3,127.04	1,003.47
Revenue – Charged					
31	01	State Legislature	16.71	17.44	0.73

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(₹ in lakh)

Sl. No.	Grant No.	Name of the grant	Savings	Surrendered	Difference
32	03	Administration of Justice	7,126.21	7,190.88	64.67
33	35	Personnel and Administrative Reforms Department	1,418.32	1,442.14	23.82
Capital - Voted					
34	06	Animal Husbandry (Animal Husbandry, Dairying and Fisheries Department)	2,875.35	2,875.69	0.34
35	07	Fisheries (Animal Husbandry, Dairying and Fisheries Department)	14,501.75	14,547.18	45.43
36	13	Food and Consumer Protection (Co-operation, Food and Consumer Protection Department)	27,072.25	27,078.71	6.46
37	15	Environment (Environment and Forests Department)	187.61	302.09	114.48
38	19	Health and Family Welfare Department	35,043.40	38,246.01	3,202.61
39	20	Higher Education Department	4,583.51	4,714.95	131.44
40	30	Stationery and Printing (Tamil Development and Information Department)	148.89	160.06	11.17
41	32	Labour and Employment Department	2,722.33	3,203.10	480.77
42	34	Municipal Administration and Water Supply Department	3,07,570.03	3,11,309.19	3,739.16
43	35	Personnel and Administrative Reforms Department	423.23	463.85	40.62
44	39	Buildings (Public Works Department)	16,366.89	17,574.51	1,207.62
45	43	School Education Department	16,368.28	16,417.38	49.10
46	54	Forests (Environment and Forests Department)	532.80	955.17	422.37
Capital - Charged					
47	41	Revenue and Disaster Management Department	0.02	0.07	0.05
Loan - Voted					
48	14	Energy Department	47,559.02	57,523.83	9,964.81
49	22	Police (Home, Prohibition and Excise Department)	361.49	407.86	46.37
50	38	Public Department	390.81	397.26	6.45
Total			10,84,829.47	11,39,910.63	55,081.16

(Source: Appropriation Accounts for the year 2019-20)

Appendix 3.12
(Reference: Paragraph 3.3.6.3)

List of Grants having Persistent Savings during 2015-2020

(₹ in crore)

Sl. No.	Name of the Grant	Amount of Savings				
		2015-16	2016-17	2017-18	2018-19	2019-20
(A) Revenue – Voted						
1	02 - Governor and Council of Ministers	8.03 (22.88)	7.03 (17.04)	3.40 (9.61)	4.05 (9.31)	6.85 (15.07)
2	07 - Fisheries (Animal Husbandry, Dairying and Fisheries Department)	68.48 (15.71)	56.76 (12.95)	155.15 (21.62)	208.67 (28.40)	116.74 (19.35)
3	09 - Backward Classes, Most Backward Classes and Minorities Welfare Department	158.99 (17.07)	189.91 (20.19)	352.63 (36.64)	114.75 (11.20)	142.35 (14.80)
4	11 - Stamps and Registration (Commercial Taxes and Registration Department)	91.12 (27.01)	78.51 (25.67)	27.28 (9.18)	40.19 (12.42)	36.28 (9.74)
5	14 - Energy Department	1,577.38 (28.67)	890.52 (12.37)	773.54 (8.39)	657.29 (7.88)	464.36 (5.04)
6	16 - Finance Department	283.90 (29.31)	207.63 (20.47)	265.48 (23.95)	319.77 (19.22)	461.56 (27.31)
7	25 - Motor Vehicles Acts - Administration (Home, Prohibition and Excise Department)	92.72 (35.89)	22.05 (9.38)	23.17 (8.51)	66.62 (17.49)	54.65 (12.85)
8	35 - Personnel and Administrative Reforms Department	9.77 (11.94)	15.15 (16.24)	5.76 (5.73)	12.08 (10.11)	7.03 (5.53)
9	38 - Public Department	53.05 (12.06)	115.25 (15.39)	89.52 (18.88)	99.98 (18.65)	80.45 (8.53)
10	42 - Rural Development and Panchayat Raj Department	980.88 (5.90)	5,649.76 (27.86)	3,848.59 (25.26)	2,216.09 (12.83)	2,277.30 (13.51)
(A) Revenue - Charged						
11	01 - State Legislature	0.16 (41.28)	0.21 (54.33)	0.20 (21.81)	0.27 (37.56)	0.17 (28.38)
12	03 - Administration of Justice	21.72 (14.10)	78.71 (29.59)	27.82 (11.37)	52.35 (17.81)	71.26 (22.99)
13	19 - Health and Family Welfare Department	0.30 (8.31)	0.80 (54.28)	0.87 (45.37)	0.85 (59.67)	1.24 (81.79)
14	38 - Public Department	0.16 (22.83)	1.16 (59.20)	0.13 (27.80)	0.08 (21.20)	0.88 (25.68)
(B) Capital - Voted						
15	04 - Adi-Dravidar and Tribal Welfare Department	119.03 (59.18)	196.61 (75.29)	143.46 (62.64)	75.90 (50.43)	42.55 (31.75)
16	05 - Agriculture Department	114.63 (33.95)	61.55 (17.26)	242.91 (55.57)	113.29 (24.53)	160.65 (37.72)
17	09 - Backward Classes, Most Backward Classes and Minorities Welfare Department	23.00 (27.02)	76.17 (72.03)	4.17 (12.99)	4.85 (21.28)	5.91 (58.39)
18	13 - Food and Consumer Protection (Co-operation, Food and Consumer Protection Department)	232.83 (43.31)	228.76 (45.60)	92.27 (32.16)	69.50 (32.36)	270.72 (55.96)
19	16 - Finance Department	1,980.00 (99.00)	1,970.00 (98.32)	2,000.00 (100)	768.90 (99.11)	768.41 (99.79)
20	21 - Highways and Minor Ports Department	1,589.45 (22.70)	1,348.84 (18.97)	1,743.31 (20.11)	1,990.87 (20.82)	2,865.26 (23.63)
21	29 - Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	134.86 (79.12)	34.37 (48.73)	28.73 (40.55)	33.33 (53.29)	137.29 (69.40)

(₹ in crore)

Sl. No.	Name of the Grant	Amount of Savings				
		2015-16	2016-17	2017-18	2018-19	2019-20
22	34 - Municipal Administration and Water Supply Department	1,370.43 (29.49)	556.94 (12.05)	2,941.13 (50.68)	1,289.69 (20.33)	3,075.70 (41.08)
23	40 - Irrigation (Public Works Department)	1,186.89 (60.50)	641.73 (38.26)	1,730.56 (58.21)	1,336.56 (43.18)	1,514.88 (39.29)
24	44 - Micro, Small and Medium Enterprises Department	45.06 (88.36)	47.69 (90.17)	48.99 (97.91)	45.94 (48.85)	44.20 (62.26)
(C) Loan - Voted						
25	15 –Environment (Environment and Forest Department)	18.53 (92.64)	18.19 (90.96)	19.30 (94.70)	20.00 (100)	20.00 (100)
26	22 - Police (Home, Prohibition and Excise Department)	7.88 (26.88)	26.22 (85.32)	3.26 (50.47)	5.00 (71.44)	3.61 (72.29)
27	38 - Public Department	29.69 (73.04)	15.14 (73.84)	13.97 (68.13)	15.96 (91.18)	3.91 (71.06)

(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 2020 (₹ in crore)
1	04	2225.01.277.AH	Compensation to Universities	6.71
2	04	2225.01.277.KV	Smart Class Rooms in Adi - Dravidar/ Tribal Welfare Higher Secondary Schools	1.13
3	04	2225.02.277.BH	Special incentive scheme to promote literacy among Tribal caste girls studying VI standard to VIII standard	1.67
4	04	2225.02.277.SD	Development of Particularly Vulnerable Tribal Groups	8.19
5	04	2225.02.277.SE	Pre Matric Scholarship for Scheduled Tribe students	2.94
6	04	3604.00.200.BR	Devolution Grants to Rural Local Bodies for Providing basic amenities to Adi Dravidar habitations	100.00
7	04	4225.01.800.JE	Construction of Working Women's Hostels	4.40
8	04	4225.02.277.KA	Construction of new buildings and repairs to the existing Tribal Hostels / GTR Schools	1.46
9	05	2401.00.109.UD	National e-Governance plan in Agriculture and National Mission on Agricultural Extension Technology	4.00
10	05	2415.01.277.JB	Reimbursement of Tuition Fees for First Generation Graduates	6.50
11	06	2403.00.800.UB	National Livestock Mission - Animal Husbandry under General Component Plan	38.16
12	06	4403.00.101.AX	Institute of Veterinary Preventive Medicine, Ranipet	9.00
13	07	2405.00.101.PD	World Bank assisted scheme under Coastal Disaster Risk Reduction Project (CDRRP)	7.40
14	07	4405.00.104.PA	World Bank assisted Scheme under Coastal Disaster Risk Reduction Project (CDRRP) - Fisheries	14.56
15	07	4405.00.104.UA	Development of Fish Landing Facilities	17.65
16	09	2225.03.277.LF	Renovation of BC Hostel Buildings	2.43
17	09	2225.03.277.SB	Post-Matric scholarships to OBCs students - controlled by Director of Most Backward Classes and Denotified Communities	37.88
18	09	2225.03.277.UA	Pre-matric Scholarship to Other Backward Classes, Most Backward Classes and Denotified Communities Welfare Department	18.96
19	09	2225.03.277.UB	Pre-matric Scholarship to Other Backward Classes, Backward Classes and Minorities Welfare Department	18.96
20	12	2425.00.108.KD	Interest Subsidy to Co-operative Institutions towards reduced interest for crop loans to the farmers	150.00
21	12	2425.00.789.JA	Interest subsidy to Co-operative institutions for crop loan to the farmers Under Special Component Plan	48.23
22	12	4425.00.200.JB	Construction of Godowns with Loan assistance from NABARD	42.87
23	13	2408.01.101.JA	Implement the e-procurement system in the Direct Purchase Centres in Tamil Nadu	2.90
24	18	285100105AM	Rebate on Sale of Khadi Cloth to Other Certified Institutions	24.50
25	18	2851.00.105.AN	Provision of Maintenance Allowance to Potters during Rainy Season	5.94
26	19	2210.01.110.AU	Tuberculosis Control and Chemotherapy	1.25
27	19	2210.05.105.UD	Strengthening / Upgradation of Pharmacy Institutions	1.45
28	19	2210.05.200.JC	Reimbursement of Tuition Fees for the First Generation Graduates	1.66
29	19	2210.06.789.JA	Menstrual Hygiene Programme under Special Component Plan	14.35
30	20	2202.03.102.KB	Grants to Alagappa University Constituent Colleges	1.19

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Sl. No.	Grant No	Head of Account	Description	100% Expenditure during March 2020 (₹ in crore)
31	20	2203.00.800.AB	Buildings	1.42
32	21	5054.04.337.KH	Widening and improving the Road to industries	1.34
33	21	5054.80.800.JX	Upgradation of IT Highways in Chennai City	10.00
34	22	2055.00.001.AQ	Assistance to Police Public School Society	12.61
35	22	2055.00.001.JA	Mobile Data Terminal for Highway Patrol Vehicles in cities - Schemes under State Innovation Fund	1.14
36	22	2059.01.053.CU	Non Residential Buildings - Police Department - Administered by the Commissioner of Police, Chennai	1.05
37	24	4070.00.800.KE	Construction of Buildings for Prison Department	20.78
38	26	2216.05.053.AA	Contribution for maintenance of Government Colonies	11.00
39	26	2216.05.053.AB	Maintenance of Government Flats in specific locations in Chennai City - Koyambedu, Taylor's Road, Government Estate, Old Tower Block and Foreshore Estate	1.10
40	26	2216.80.103.AJ	Grants to Tamil Nadu Housing Board for payment of property tax on Tamil Nadu Government Servants Rental Housing Scheme Quarters	4.70
41	26	2217.05.800.JR	Assistance to Schemes implemented by CMWSSB from Infrastructure and Amenities Fund	1.16
42	26	6217.60.190.PH	Loans for Metro Rail Project in Chennai with assistance of Japan International Co-operation Agency (JICA)	191.27
43	27	2852.80.800.BD	Reimbursement of Land cost to TIDCO	19.03
44	29	2205.00.101.JG	Compensation of expenditure on account of issue of bus pass to the students of Government Music colleges, Colleges of Fine Arts, College of Architecture and Sculpture	1.28
45	29	5054.80.800.KC	Improvement of access roads to important Tourist Centres	3.90
46	31	2852.07.101.AE	Zero Proof Identity based Predictive Government Service Delivery	6.00
47	31	2852.07.800.JS	Creation of an Integrated Tamil Nadu Geographical Information System	1.90
48	31	6221.00.190.AC	Interest free loan to Arasu Cable TV Corporation Limited on capitalization of interest dues till the end of 2017-18	1.72
49	32	2230.01.103.AC	Labour Welfare Fund - controlled by the Commissioner of Labour	4.02
50	32	2230.03.101.JT	Supply of Bi-cycles to Government ITI Students	2.80
51	32	4250.00.201.JE	Construction of Buildings - Tamil Nadu Institute of Labour Studies	2.00
52	33	2059.01.053.BR	Buildings - Law Colleges and Law College Hostels (Administered by Chief Engineer (Buildings))	1.15
53	34	2217.01.191.PD	Capital Grant to TNUDF for implementing underground drainage project under National River conservation Project	5.43
54	34	3604.00.193.JH	State Finance Commission Devolution Arrears to Town Panchayats - Controlled by Director of Town Panchayats	57.29
55	34	4217.01.190.PB	Capital Grants to Installation of Chennai Metropolitan Area Intelligent Transport System (ITS) with the Assistance of Japan International Cooperation Agency (JICA)	60.00
56	34	4217.01.800.JA	Chennai Mega City Development Mission	100.00
57	34	4217.60.190.JV	Share Capital Assistance for Chennai Rivers Restoration Trust	3.00
58	34	4217.60.800.JO	Implementation of Cooum River Restoration Project	15.00
59	34	4217.60.800.PG	Capital Grant to Grant Fund I - German Development Bank (KfW) line of credit under Sustainable Municipal Infrastructure Financing in Tamil Nadu Phase-II Part 2 (SMIF-TN-II-2)	50.00
60	34	6217.60.190.PJ	Loans to TNUDF for implementation of Sustainable Municipal Infrastructure Financing in Tamil Nadu - Phase - II Part 2 with the	20.00

Sl. No.	Grant No	Head of Account	Description	100% Expenditure during March 2020 (₹ in crore)
			assistance of German Development Bank (KfW)	
61	40	2215.01.101.JN	Capital Grant to Andhra Pradesh for Krishna Water Supply Project	25.00
62	40	2701.03.180.PI	Farmers Organisation under Water Resources Consolidation Project	1.67
63	40	2701.03.204.PE	Environmental Activities under TN IAMWARM Project	1.89
64	40	4700.01.202.PB	Repair and Rehabilitation of Flood affected Uthukaadu Tank, Naickkankuppam Tank, Puthagaram Kallipattu Tank Palayaseevaram Arukondan Tank in Walajabad Taluk, Marutham Tank, Kancheepuram Taluk and Koothavakkam Tank in Sriperumbudur Taluk	1.84
65	40	4701.03.277.JA	Improvement to Veeranam Lake for Water Supply	4.69
66	40	4702.00.101.JZ	Diversion of Surplus Water from Chinnar River	3.10
67	40	4711.01.103.UA	Repair, Renovation and Restoration of Water Bodies	2.86
68	42	2515.00.102.AE	Provision of Basic Infrastructure facilities in Rural Areas - met from the Fund for Priority Scheme	702.30
69	42	3604.00.102.AA	Assignment under Global Sharing of Assigned Revenue to Rural Local Bodies - Stamp Duty	351.15
70	43	2202.01.800.KU	Reimbursement of fee claimed as per the provision of section 12(1)(c) of Right of Children to Free and Compulsory Education Act, 2009	248.76
71	43	2202.02.101.AD	Implementation of Bio-Metric Attendance to the Teaching and Non-Teaching Staff of Govt Schools and Govt Aided Schools	2.29
72	43	2202.02.105.AE	Assistance to Private Training Schools - General	2.22
73	43	2202.02.106.JC	Supply of Text Books to Students	89.08
74	43	2202.02.109.KJ	Incentive to Students to reduce drop out in Secondary Education level	173.73
75	43	2202.02.109.KS	Provision of CCTV Camera facilities in Government High and Higher Secondary Schools	21.68
76	43	2202.02.789.JH	Incentive to Students to reduce drop out in Higher Secondary Education level	63.87
77	43	2202.02.796.JB	Incentive to Students to reduce drop out in Secondary Education level	17.88
78	43	2202.02.800.JQ	Free Supply of Bicycles to the students studying in XI and XII standard in Government Schools and Aided Schools in which classes are conducted on self-financing basis	2.96
79	43	2225.01.789.JD	Supply of Text Books under Special Component Plan under School Education	38.18
80	44	2851.00.102.ME	Grants to Entrepreneurship Development Institute	6.28
81	44	4851.00.101.PB	Integrated Textiles / Apparels Park at Punjaikalakurichi, Karur District under TNIPP Phase-2	8.00
82	44	4851.00.101.PD	Integrated Sea Foods Park at Sakkarakottai, Ramanathapuram District under TNIPP Phase-2	5.40
83	45	2235.02.104.KP	Integrated Complex of Special Homes for Senior Citizens and Destitute Children	6.44
84	45	4235.02.103.JE	Capital Assistance to Tamil Nadu Working Women's Hostel Corporation as special purpose vehicle to undertake infrastructure Projects	1.00
85	47	2250.00.102.AK	Grants to Hindus of Tamil Nadu performing pilgrimage to Manasarover and Mukthinath	1.73
86	47	2250.00.800.AA	Religious and Charitable Institutions in the merged Areas	1.00
87	51	2245.02.193.AX	Assistance to Town Panchayats for repairs and restoration of roads, buildings, street lights, drainage, etc.	1.56

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Sl. No.	Grant No	Head of Account	Description	100% Expenditure during March 2020 (₹ in crore)
88	51	2245.05.101.AC	Transfer to State Disaster Response Fund	707.10
89	51	2245.80.800.AA	Assistance for undertaking immediate relief works in connection with Flood / Fire / Drought	2.39
90	52	2235.02.101.CQ	Supply of Motorised Sewing Machines	1.28
91	54	2406.01.101.JF	DGPS Survey of notified Forest Areas of Tamil Nadu	1.28
92	54	4406.01.101.UD	Conservation and Management of Agasthiarmalai Biosphere Reserve	1.84
			Total	3,708.88

(Source: Appropriation Accounts for the year 2019-20)

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. 383 dated 26-04-2019	2029.00.001.AD	14,32,000	4,24,560
		2053.00.093.AL	9,46,000	3,08,340
2	G. O. Rt. No. 393 dated 29-04-2019	2029.00.001.AD	20,45,000	27,24,992
		2053.00.093.AL	33,33,000	27,33,441
3	G. O. Rt. No. 533 dated 12-06-2019	2053.00.094.AB	14,60,000	7,47,086
4	G. O. Rt. No. 535 dated 12-06-2019	2029.00.001.AD	3,92,000	3,92,000
5	G. O. Rt. No. 548 dated 17-06-2019	2052.00.090.JL	2,82,11,000	2,82,11,000
6	G. O. Rt. No. 562 dated 21-06-2019	2055.00.101.AA	4,65,000	1,73,648
7	G. O. Rt. No. 573 dated 25-06-2019	2055.00.116.AA	3,80,000	2,71,018
8	G. O. Rt. No. 575 dated 25-06-2019	2052.00.091.AA	23,92,000	23,92,000
9	G. O. Rt. No. 609 dated 03-07-2019	2225.03.800.JC	20,00,000	20,00,000
10	G. O. Rt. No. 610 dated 03-07-2019	2202.05.800.AF	1,00,00,000	1,00,00,000
11	G. O. Rt. No. 834 dated 20-08-2019	2235.02.106.SE	2,28,33,000	2,28,32,750
12	G. O. Rt. No. 847 dated 26-08-2019	2220.60.800.AW	1,00,00,000	1,00,00,000
13	G. O. Rt. No. 865 dated 06-09-2019	2405.00.110.AD	36,03,000	36,03,000
14	G. O. Rt. No. 925 dated 26-09-2019	5054.80.800.JW	10,00,000	10,00,000
15	G. O. Rt. No. 932 dated 30-09-2019	2852.07.101.AD	1,80,27,000	1,80,27,000
16	G. O. Rt. No. 977 dated 14-10-2019	2401.00.114.JB	1,30,35,000	1,30,35,000
17	G. O. Rt. No. 1062 dated 12-11-2019	2014.00.114.AM	11,25,000	8,75,000
18	G. O. Rt. No. 1065 dated 13-11-2019	2202.04.200.JQ	82,16,000	82,16,000
19	G. O. Rt. No. 1075 dated 15-11-2019	2014.00.103.AD	5,45,17,000	40,79,735
20	G. O. Rt. No. 1120 dated 27-11-2019	2235.02.106.AC	44,90,000	44,90,000
21	G. O. Rt. No. 1123 dated 28-11-2019	2235.02.106.AD	25,00,000	25,00,000
22	G. O. Rt. No. 1127 dated 29-11-2019	4405.00.104.JM	15,00,00,000	14,96,48,116
23	G. O. Rt. No. 1192 dated 18-12-2019	2053.00.093.AA	86,91,000	66,91,070
		2053.00.094.AB	6,31,000	6,31,000
24	G. O. Rt. No. 1203 dated 20-12-2019	2852.07.800.JB	94,00,000	94,00,000

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 ₹)
25	G. O. Rt. No. 1205 dated 23-12-2019	2053.00.093.AA	91,94,000	77,91,828
		2053.00.094.AA	2,64,000	1,86,227
26	G. O. Rt. No. 1209 dated 23-12-2019	2053.00.093.AA	63,56,000	5,098,339
		2053.00.094.AA	4,32,000	3,55,262
		2053.00.094.AB	18,48,000	11,85,652
27	G. O. Rt. No. 1211 dated 23-12-2019	2053.00.093.AA	1,78,14,000	1,50,58,207
		2053.00.094.AA	12,67,000	12,67,000
		2053.00.094.AB	5,95,000	5,95,000
28	G. O. Rt. No. 126 dated 26-02-2020	2225.03.001.BB	9,000	0
		2225.03.277.BC	3,58,000	0
		2225.80.101.AE	2,56,000	0
		2225.80.101.AF	73,000	0
29	G. O. Rt. No. 143 dated 06-03-2020	2225.04.277.JB	43,000	0
30	G. O. Rt. No. 158 dated 12-03-2020	2225.03.277.AA	4,83,000	0
Total			40,01,16,000	33,69,44,271

(Source: CFA Orders and Detailed Appropriation Accounts for the year 2019-20)

Appendix 4.1
(Reference: Paragraph 4.3)

List of deposits under Major Head '8342' where provision made but no expenditure incurred

(in ₹)

S. No	Head of Account	Nomenclature	Original Provision	Supplementary Provision	Re-appropriation	Final Modified Grant	Actual Expenditure
1	204960101BG	Interest on Deposits of State Agricultural Marketing board	30,00,000	--	--	30,00,000	--
2	204960101BJ	Interest on the Deposits of Cuddalore Market Committee	2,00,000	--	1,43,000	3,43,000	--
3	204960101BK	Interest on the Deposits of Dharmapuri Market Committee	7,00,000	--	-17,000	6,83,000	--
4	204960101BL	Interest on the Deposits of Kanyakumari Market Committee	6,00,000	1,000	1,22,17,000	1,28,18,000	--
5	204960101BM	Interest on Deposits of Salem Market Committee	50,00,000	1,000	2,43,85,000	2,93,86,000	--
6	204960101BO	Interest on the Deposits of Thanjavur Market Committee	60,00,000	1,000	61,33,000	1,21,34,000	--
7	204960101BQ	Interest on Deposits of Coimbatore Market Committee	50,00,000	--	--	50,00,000	--
8	204960101BT	Interest on Deposits of Madurai Market Committee	10,00,000	1,000	97,21,000	1,07,22,000	--
9	204960101BU	Interest on the Deposits of Kancheepuram Market Committee	25,000	--	4,61,000	4,86,000	--
10	204960101DB	Interest on Deposits of Anna University, Madras	1,00,00,000	--	--	1,00,00,000	--
11	204960101DU	Interest on Deposits of State Transport Corporation Employees' Post Retirement Benefit Fund	15,00,000	--	--	15,00,000	--
12	204960101EE	Interest on Deposits of Avinasingam Institute for Home Science and Higher Education for Women (Deemed University)	1,50,00,000	1,000	2,46,00,000	3,96,01,000	--
13	204960101EI	Interest on Deposits of Periyar University	25,00,000	--	--	25,00,000	--
14	204960101EJ	Interest on Deposits of Villupuram Market Committee	2,00,000	--	--	2,00,000	--
15	204960101EL	Interest on Deposits of Dindigul Market Committee	1,000	1,000	1,23,25,000	1,23,27,000	--
16	204960101EP	Interest on Deposits of Thiruvalluvar University	8,00,000	--	--	8,00,000	--
17	204960101EQ	Interest on Deposits of Tamil Nadu Manual Workers' Social Security and Welfare Board	4,00,000	--	--	4,00,000	--
Total			5,19,26,000	6,000	8,99,68,000	14,19,00,000	--

Appendix 4.2
(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 ₹)
1	Directorate of Adi Dravida Welfare	2019 - 20	2	1,63,000
2	Directorate of Agriculture	2018 - 19	1	36,46,197
3	Directorate of Agriculture	2019 - 20	4	3,29,01,100
4	Tamil Nadu Agricultural University	2019 - 20	1	10,70,17,200
5	Directorate of Fisheries	2019 - 20	1	18,65,00,000
6	Directorate of Medical Education	2019 - 20	2	6,57,25,000
7	Universities	2019 - 20	1	6,03,01,600
8	Science City in Chennai	2019 - 20	1	1,79,00,000
9	Directorate of Town and Country Planning	2018 - 19	2	62,48,36,000
10	Directorate of Town and Country Planning	2019 - 20	3	93,79,08,000
11	Directorate of Government Museums	2019 - 20	1	32,00,000
12	Directorate of Employment and Training	2019 - 20	3	20,00,00,000
13	Commissionerate of Municipal Administration	2017 - 18	1	35,35,00,000
14	Commissionerate of Municipal Administration	2019 - 20	4	81,65,75,000
15	Chennai Metropolitan Water Supply and Sewerage Board	2019 - 20	1	43,75,00,000
16	Directorate of Rural Development and Panchayat	2017 - 18	2	1,55,62,900
17	Directorate of Rural Development and Panchayat	2018 - 19	4	15,00,00,000
18	Directorate of Rural Development and Panchayat	2019 - 20	2	7,50,00,000
19	Commissionerate of Industries and Commerce	2017 - 18	1	4,00,00,000
20	Commissionerate of Industries and Commerce	2018 - 19	5	14,45,59,000
21	Commissionerate of Industries and Commerce	2019 - 20	2	1,41,21,800
22	Sports Development Authority of Tamil Nadu	2019 - 20	4	25,48,90,000
23	Tamil Nadu Physical Education & Sports University	2018 - 19	1	10,00,00,000
24	Tamil Nadu Physical Education & Sports University	2019 - 20	2	5,45,72,678
	Total		51	4,69,63,79,475

Appendix 4.3
(Reference: Paragraph 4.8)
Expenditure under Minor Head '800 – Other expenditure'

(₹ in crore)

Sl. No.	Major Head	Expenditure under Minor Head '800' upto 03/2020	Total Expenditure upto 03/2020	Percentage
1	3075 – Other Transport Services	1.52	1.52	100.00
2	2711 – Flood Control and Drainage	158.11	158.11	100.00
3	4236 – Capital Outlay on Nutrition	51.59	51.59	100.00
4	5475 – Capital Outlay on Other General Economic Services	98.00	98.00	100.00
5	4875- Capital Outlay on Other Industries	73.78	73.78	100.00
6	4070 – Capital Outlay on Other Administrative Services	221.62	221.62	100.00
7	2852 – Industries	2,707.42	2,764.03	97.95
8	4408 – Capital Outlay on Food Storage and Warehousing	207.40	212.40	97.65
9	4217 – Capital Outlay on Urban Development	2,767.93	2,840.93	97.43
10	2810 – New and Renewable Energy	3.96	5.02	78.88
11	2401 – Crop Husbandry	4,765.44	8,851.27	53.84
12	2217 – Urban Development	814.91	1,674.96	48.65
13	2075- Miscellaneous General Services	261.11	546.58	47.77
14	4551 – Capital Outlay on Hill Areas	35.50	74.40	47.72
15	2425 – Co-operation	810.97	1,762.85	46.00
16	4515 – Capital Outlay on other Rural Development Programmes	755.01	1,865.72	40.47
17	2041 – Taxes on Vehicles	103.58	271.41	38.16
18	2405 – Fisheries	132.88	435.64	30.50
19	5054 – Capital Outlay on Roads and Bridges	2,776.85	9,303.79	29.85
20	4215 – Capital Outlay on Water Supply and Sanitation	400.25	1,414.48	28.30
21	2013 - Council of Ministers	1.40	5.76	24.31
22	2403 – Animal Husbandry	227.38	1,056.47	21.52
23	2230 – Labour, Employment and Skill Development	166.64	784.42	21.24
24	2216 – Housing	625.68	3,161.49	19.79
25	4225 – Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	19.01	96.12	19.78
26	2245 – Relief on account of Natural Calamities	294.95	1,590.85	18.54
27	3435 – Ecology and Environment	1.40	7.72	18.13
28	2404 – Dairy Development	8.66	50.57	17.12
29	4711 – Capital Outlay on Flood Control Projects	3.77	23.67	15.93
30	4406 – Capital Outlay on Forestry and Wild Life	18.96	127.96	14.82
31	2406 – Forestry and Wild Life	57.24	411.03	13.93
32	2210 – Medical and Public Health	1,073.04	8,920.36	12.03
33	2215 – Water Supply and Sanitation	77.75	646.42	12.03
34	2220 – Information and Publicity	12.51	108.15	11.57
35	4216 – Capital Outlay on Housing	4.06	36.62	11.09
	Total	19,740.28	49,655.71	39.75

Appendix 4.4
(Reference: Paragraph 4.8)
Receipts under Minor Head '800 – Other receipts'

(₹ in crore)

Sl. No.	Major Head	Receipts under Minor Head '800' upto 03/2020	Total Receipts upto 03/2020	Percentage
1	0235- Social Security and Welfare	78.52	77.80	100.93
2	1056 – Inland Water Transport	0.17	0.17	100.00
3	0215 – Water Supply and Sanitation	0.40	0.40	100.00
4	0415 – Agricultural Research and Education	0.35	0.35	100.00
5	1456 – Civil Supplies	3.07	3.07	100.00
6	1051 - Ports and Light Houses	3.30	3.30	100.00
7	1452 – Tourism	0.31	0.31	100.00
8	0211 – Family Welfare	148.53	148.53	100.00
9	0217 – Urban Development	780.75	780.75	100.00
10	0250 – Other Social Services	171.30	172.65	99.22
11	1054 – Roads and Bridges	81.07	82.59	98.16
12	0435 – Other Agricultural Programmes	41.28	46.85	88.11
13	0425 – Co-operation	21.72	24.92	87.16
14	0515 – Other Rural Development Programmes	0.41	0.50	82.00
15	0220 – Information and Publicity	7.33	9.30	78.82
16	0702 – Minor Irrigation	2.50	3.22	77.64
17	0403 – Animal Husbandry	12.99	16.80	77.32
18	0075 – Miscellaneous General Services	598.23	895.16	66.83
19	0406 – Forestry and Wild Life	50.36	83.38	60.40
20	0210 – Medical and Public Health	985.19	1,654.68	59.54
21	0049 – Interest Receipts	2,483.64	4,355.50	57.02
22	0070 – Other Administrative Services	179.64	318.60	56.38
23	0404 – Dairy Development	1.70	3.42	49.71
24	0701 – Major and Medium Irrigation	23.65	47.65	49.63
25	0029 – Land Revenue	117.46	258.30	45.47
26	0216 – Housing	84.81	208.90	40.60
27	0059 – Public Works	5.49	16.84	32.60
28	0853 – Non-ferrous Mining and Metallurgical Industries	353.61	1,150.12	30.75
29	0056 – Jails	2.76	13.43	20.55
30	0055 – Police	50.32	345.18	14.58
31	0401 – Crop Husbandry	5.83	53.12	10.98
	Total	6,296.69	10,775.79	58.43

Appendix 4.5
(Reference: Paragraph 4.11)
List of bodies and authorities, the accounts of which
had not been received as at the end of 2019-20

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
2	Anna University, Chennai – 600 025	2013-14, 2014-15, 2016-17 to 2019-20
3	Bharathiar University, Coimbatore – 641 046	2016-17, 2018-19, 2019-20
4	Bharathidasan University, Trichy	2015-16, 2017-18, 2018-19, 2019-20
5	Madurai Kamarajar University, Madurai	2016-17 to 2019-20
6	Manonmaniam Sundaranar University, Tirunelveli	2018-19, 2019-20
7	Mother Teresa Women's University, Kodaikanal – 624 102	2017-18, 2018-19, 2019-20
8	Shri. Chandrasekarendra Saraswathi Vishwa Vidyalaya, Chennai	2013-14 to 2019-20
9	Thiruvallur University, Fort Campus, Vellore – 632 004	2016-17 to 2019-20
10	University of Madras, Chennai – 600 005	2015-16, 2016-17, 2018-19, 2019-20
11	Tamil Nadu Open University, Guindy, Chennai – 600 025	2013-14 to 2017-18, 2019-20
12	Annamalai University, Chidambaram	2017-18, 2018-19, 2019-20
13	Periyar University, Salem	2017-18, 2018-19
14	Tamil University, Thanjavur	2018-19, 2019-20
Arts & Science Colleges		
15	D.D.G.D. Vaishnav College, Arumbakkam, Chennai 600 106	2018-19, 2019-20
16	A M Jain College, Meenambakkam, Chennai – 600 114	2017-18, 2018-19, 2019-20
17	A P C Mahalaksmi College for Women, Tuticorin – 628 002	2019-20
18	A.V.V.M Sri Pushpam College, Poondi – 613 503,	2019-20
19	Aditanar College of Arts and Science, Tiruchendur – 628 216	2019-20
20	Arulmigu Palani Andaver College of Arts & Culture, Palani – 624 602	2016-17 to 2019-20
21	Arumugam Pillai Seethaiyammal College, Tirupattur – 623 211	2019-20
22	Auxilium College for Women, Vellore – 632 006	2010-11, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20
23	Ayya Nadar Janaki Ammal College, Sivakasi – 626 123	2017-18, 2018-19, 2019-20
24	Bishop Herber College, Trichy – 620 017	2017-18, 2019-20
25	C B M College, Sakethapuri, Kovaipudur, Coimbatore – 641 042	2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20
26	C. Kandaswami Naidu College for Women, Cuddalore – 607 001	2006-07, 2007-08, 2008-09, 2009-2010, 2019-20
27	Chellammal Women's College, Chennai – 600 032	2017-18, 2018-19

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Sl.No.	Name of the body/authority	Year for which accounts have not been received
28	Dwarka Doss Vaishnava College, Chennai	2018-19, 2019-20
29	Devanga Art's College, Aruppukottai – 626 101	2015-16, 2016-17, 2017-18, 2018-19, 2019-20
30	Dharmamurthi Rao Bahadur Calavala Cunnan Chettys Hindu College, Pattabiram, Chennai – 600 072	2018-19, 2019-20
31	E M G Kone Yadava Women's College, Madurai – 14	2015-16, 2016-17, 2017-18, 2018-19, 2019-20
32	Emareld Heights College for Women, Uthagamandalam	2018-19, 2019-20
33	Erode Arts College, Erode – 608 009	2017-18, 2018-19, 2019-20
34	Ethiraj College for Women, Chennai – 600 005	2019-20
35	Fathima College, Madurai – 625 018	2017-18, 2018-19, 2019-20
36	G V G Visalakshi College for Women, Udumalpet – 642 128	2017-18, 2018-19, 2019-20
37	Ganesan Senthamil College, Melasivapuri, Pudukottai - 622 403	2005-06 to 2012-13, 2017-18, 2019-20
38	Gurunanak College, Guindy, Chennai – 600 032	2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20
39	H.K.R. Howdia College, Uthamapalayam – 626 533	2018-19, 2019-20
40	Jamal Mohammad College, Trichy	2019-20
41	J.K.K. Nataraja College of Art's & Science, Natarajapuram, Komarapalayam, Namakkal – 638 183	2019-20
42	Jamia Darussalam Arabic College, Oomerabad – 635 808	2005-06 to 2019-20
43	Justice Basheer Ahamed Syed Womens College, Teynampet	2014-15 to 2019-20
44	Kongunadu Arts and Science College, G N Mills P.O., Coimbatore – 29	2019-20
45	Lady Doak College, Madurai – 2	2015-16, 2017-18, 2019-20
46	Lakshmi College of Education, Gandhipuram Post – 624 302	2010-11, 2011-12, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20
47	Lakshmipuram College of Art's & Science, Neyyar – 629 802	2006-07 to 2019-20
48	Madras Christian College, Tambaram, East Tambaram – 14, Kancheepuram	2017-18 to 2019-20
49	Mannar Tirumalai Naicker College, Madurai	2018-19
50	Loyola College, Chennai	2017-18 to 2019-20
51	Madras school of social work, Egmore Chennai	2016-17, 2017-18, 2018-19, 2019-20
52	Madura College, Madurai – 625 001	2019-20
53	Madurai Institute of Social Sciences, Alagar Koil Road, Madurai – 625 002	2006-07 to 2012-13, 2016-17 to 2019-20
54	Meenakshi College for Women, Chennai 600 024	2014-15 to 2019-20
55	M D T Hindu College, Tirunelveli	2015-16 to 2019-20

Sl.No.	Name of the body/authority	Year for which accounts have not been received
56	N V K S D College of Education, Tiruvattar – 629 191	2019-20
57	N.K.T. National College of Education, Dr.Besant Road, Chennai- 5	2018-19, 2019-20
58	Nadar Mahajana Sangam SVN College, Nagamalai, Madurai	2016-17 to 2019-20
59	Nallamuthu Gownder Mahalingam College, Pollachi – 642 001	2011-12 to 2019-20
60	Nesamony Memorial Christian College, Marthandam – 629 165	2016-17 to 2019-20
61	P S G College of Arts & Science Civil Aerodrome Post, Vidya Nagar, Coimbatore – 641 014	2019-20
62	Pachiyappa's College for Men, Kancheepuram – 631 503	2019-20
63	Pachiyappa's College for Women, Kancheepuram – 631 503	2017-18 to 2019-20
64	Pasumpon Thiru Muthuramalinga Thever College, Usilampatti	2019-20
65	Pioneer Kumaraswamy College, Nagercoil	2016-17 to 2019-20
66	PMT College, Melaneelithanallur, Tirunelveli	2014-15 to 2019-20
67	Poombuhar College, Malaiyur, Mayiladuthurai – 609 107	2005-06 to 2016-17, 2018-19, 2019-20
68	Pope's College, Sayarpuram – 628 251	2019-20
69	Rajah's College for Sanskrit & Tamil, Thiruvaiyaru – 613 204, Thanjavur	2010-11, 2011-12, 2012-13, 2016-17 to 2019-20
70	Rajapalayam Raju's College, Rajapalayam – 626 117	2019-20
71	Ramasamy Tamil College, Karaikudi – 623 001	2008-09 to 2019-20
72	S D N B Vaishnav College for Women, Chromepet, Chennai – 600 044	2017-18 to 2019-20
73	S T Hindu College, Nagercoil – 629 002	2015-16 to 2019-20
74	Sadhakathullah Appa College, Tirunelveli – 627 001	2018-19, 2019-20
75	Saiva Banu Kshatriya College, Aruppukottai – 626 101	2014-15 to 2019-20
76	Sarah Tucker College, Palayamkottai, Tirunelveli – 627 007	2016-17, 2017-18, 2018-19, 2019-20
77	Saraswathi Narayanan College, Madurai – 625 022	2008-09, 2009-10, 2012-13 to 2015-16, 2017-18, 2018-19, 2019-20
78	Scot Christian College, Nagercoil – 629 003	2019-20
79	Sacred Heart Arts College, Tirupattur	2018-19, 2019-20
80	SIVET College, Gowriwakkam	2018-19, 2019-20
81	Senthamil College, Tamil Sangam Salai, Madurai – 625 001	2006-07 to 2019-20
82	Sree Devikumari Women's College, Kuzhithurai – 629 163	2015-16, 2019-20
83	Sree Sevugan Annamalai College, Devakottai	2019-20

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Sl.No.	Name of the body/authority	Year for which accounts have not been received
84	Sri K.V.S.S. Art's College, Tirupanandal, Thanjavur – 612 504	2015-16, 2016-17
85	Saurastra College, Pasumalai, Madurai	2019-20
86	Sri Paramakalyani College, Alwarkurichi – 627 412	2018-19
87	Sri Parasakthi College for Women, Courtallam	2017-18 to 2019-20
88	Sri Sarada College of Education, Fair Lands, Salem – 636 016	2018-19, 2019-20
89	Sri Satguru Sangeetha Vidyalayam (College of Music) Ghokale Road, Madurai – 2	2013-14 to 2019-20
90	Sir Thyagaraja College, Old Washermanpet, Chennai – 600 021	2013-14 to 2019-20
91	Sri Sarada College of Physical Education, Salem	2019-20
92	Sri Ramaswami Naidu Memorial College, Virudhunagar	2018-19, 2019-20
93	Srimath Sivagnanabalaya Swamigal, Tamil Arts and Science College Mailam, Villupuram	2018-19, 2019-20
94	St. Ignatius College of Education, Palayamkottai	2019-20
95	St. Christopher's College of education, Vepery, Chennai – 600 007	2017-18 to 2019-20
96	St. John's College, Tirunelveli – 627 002	2005-06, 2006-07, 2015-16, 2016-17 to 2019-20
97	St. Judes College, Thoothoor – 629 176	2017-18 to 2019-20
98	St. Mary's College, Turicorin – 628 001	2018-19, 2019-20
99	St. Xavier's College, Tirunelveli – 627 002	2018-19, 2019-20
100	St.Xaviers College of Education, Palayamkottai	2018-19, 2019-20
101	Stella Maris College, Chennai – 600 086	2017-18 to 2019-20
102	T.B. Manickam Luthern College, Porayar – 609 107	2011-12 to 2019-20
103	Thavathiru Santhalinga Adigalar Arts & Science & Tamil College, Perur Post, Coimbatore – 10	2018-19, 2019-20
104	The American College, Madurai -625 002	2013-14 to 2019-20
105	The M D T Hindu College, Tirunelveli – 627 010	2015-16 to 2019-20
106	The Quaid-E-Milleth College for Men, Medavakkam, Chennai – 600 073	2014-15 to 2019-20
107	The New College, Royapettah, Chennai	2017-18 to 2019-20
108	The S F R Women's College for Women, Sivakasi – 626 123	2018-19, 2019-20
109	Thiagarajar College of Preceptors, Madurai – 9	2018-19, 2019-20
110	Thiruvallur College, Pothigaiyadi, Papanasam – 627 425	2012-13 to 2019-20
111	Thyagaraja college, Madurai	2019-20
112	Tirunelveli Dakshinamara Nadar Sangam College, T. Kallikulam – 627 113	2014-15, 2015-16, 2019-20

Sl.No.	Name of the body/authority	Year for which accounts have not been received
113	Tranquebar Bishop Manickam College, Nagapattinam	2010-11 to 2019-20
114	Ururu Dhanalakshmi College, Trichy – 620 019	2013-14, 2014-15, 2015-16, 2016-17, 2019-20
115	V O C College of Education, Tuticorin – 628 002	2018-19, 2019-20
116	Vellalar College for Women, Erode – 638 006	2019-20
117	V O C College , Tuticorin	2018-19, 2019-20
118	VHNSN College, Virudhunagar – 626 001	2017-18 to 2019-20
119	Vivekananda College, Agasteeswaram -629 701	2018-19, 2019-20
120	Vivekananda College, Tiruvengdam West, Scholavandan Railway Station	2018-19, 2019-20
121	Voorhees College, Vellore – 632 001	2015-16, 2019-20
122	Women’s Christian College, Nagercoil – 629 001	2015-16, 2016-17, 2017-18, 2018-19, 2019-20
123	Women’s Christian College, Chennai	2018-19, 2019-20
124	Yadava College, Madurai – 14	2017-18 to 2019-20
125	YMCA college of Physical Education, Chennai	2015-16 to 2019-20
Polytechnics		
126	Annamalai Polytechnic College, Chettinad – 632 102	2018-19, 2019-20
127	A.M.K. Technology Polytechnic College, Chennai-Bangalore Road, Sembarambakkam, Chennai – 602 103	2017-18 to 2019-20
128	Bhaktavachalam Polytechnic College, Kariapettai, kanchipuram – 631 552	2017-18 to 2019-20
129	CIT Sandwich Polytechnic College, Aerodrome Post, Coimbatore – 641 014	2016-17, 2019-20
130	P.T. Lee Chengalvaraya Naickar Polytechnic, Vepery, Chennai – 600 007	2012-13, 2017-18, 2018-19, 2019-20
131	GRG Polytechnic College for Women, Kuppepalayam, Sarcarsamkulam Post, Coimbatore – 641 107	2019-20
132	Murugappa Polytechnic College, Sathiyamurthy Nagar, Thirumullaivoil Village, Avadi, Chennai – 600 062	2019-20
133	EIT Polytechnic College, Kovindapadi, Erode	2016-17, 2019-20
134	Nachimuthu Polytechnic College, Mackinaickenpatty Post, Pollachi -642 003	2019-20
135	NPA Centenary Polytechnic College, Belvedeve, Kothagiri – 643 217	2019-20
136	Pattukottai Polytechnic College, Pattukkottai	2017-18 to 2019-20
137	PSN Ramasamy Ayyar Memorial Polytechnic College for Girls, P.B.No.349, Trichy – 620 002	2019-20
138	Periyar Centenary Girls Polytechnic College, Vallam – 613 403	2017-18 to 2019-20

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Sl.No.	Name of the body/authority	Year for which accounts have not been received
139	PSG Polytechnic College, P.B.No.1611, Peelamedu, Coimbatore – 641 004	2016-17, 2019-20
140	Rajagopal Polytechnic College, Gandhi Nagar, Gudiyatham – 632 604	2018-19, 2019-20
141	Ramakrishna Mission Polytechnic College, 101, Sir P.S. Sivaswamy Salai, Mylapore, Chennai – 600 004	2016-17, 2019-20
142	Sri Ramakrishna Mission Vidyalaya Polytechnic College, Coimbatore – 641 020	2016-17, 2019-20
143	Seshasayee Institute of Technology, Trichy	2016-17, 2017-18, 2019-20
144	Sakthi Polytechnic College, Sakthinagar – 638 315	2019-20
145	SSM Polytechnic College, SSM Nagar, Valayakarnoor, Komarapalayam – 638 183	2019-20
146	Thiyagarajar Polytechnic College, Salem – 636 005	2017-18 to 2019-20
147	Vallivalam Desikar Polytechnic, Nagapattinam – 611 001	2017-18 to 2019-20
148	A.D.J. Dharmambal Polytechnic College, Nagapattinam – 611 001	2019-20
149	Kamaraj Polytechnic College, Pazhavilai, Kanyakumari – 629 501	2016-17, 2017-18, 2018-19, 2019-20
150	Mohammed Sathak Polytechnic College, Chairman Sathak Salai, P.B.No.5, Kilakarai – 623 806	2018-19, 2019-20
151	PAC Ramasamy Raja Polytechnic College, Kumarasamy Raja Nagar P.O. Rajapalayam -626 108	2019-20
152	Rukmani Shanmugam Polytechnic College, Varichiyur, Madurai – 625 020	2010-11, 2011-12, 2012-13, 2018-19, 2019-20
153	Sankar Polytechnic College, Talaiyuthu R.S. Sankarnagar – 627 357	2012-13 to 2019-20
154	VSV Nadar Polytechnic College, Virudhunagar – 626 001	2015-16 to 2019-20
155	Ayya Nadar Janaki Ammal Polytechnic College for Women, Chinnakkamanpatti, Sivakasi East – 626 189	2017-18, 2019-20
156	Arulmigu Palaniandavar Polytechnic College, Palani – 624 601	2019-20
157	Sri Krishna Polytechnic College, Kovaipudur Coimbatore – 641102	2015-16 to 2019-20
158	Samagara Shiksha Abhiyan	2018-19, 2019-20
159	Tamil Nadu Manual Workers Welfare Board	2017-18, 2018-19, 2019-20
160	Tamil Nadu Labour Welfare Board	2019-20
161	Tamil Nadu Institute of Labour Studies	2019-20
162	Director, Avinashilingam Educational Trust, Social Welfare, Coimbatore	2016-17 to 2018-19
163	Director, Kuppuswamy Shastri Research Institute, Royapettah, Chennai	2016-17 to 2018-19

Sl.No.	Name of the body/authority	Year for which accounts have not been received
164	Director, New Century Welfare Society, Social Welfare, Ambattur, Chennai	2016-17 to 2018-19
165	Director, Society for Community Organisation, Trichy	2014-15 to 2018-19
166	Director, Womens Indian Association, Chepauk, Chennai	2007-08 to 2018-19
167	Director, Womens Voluntary Service of Tamil Nadu, Chetpet, Chennai	2014-15 to 2018-19
168	Headmaster, Little Flower Convent HSS for Deaf, Chennai	2011-12 to 2018-19
169	Headmistress Little Flower Convent HSS for Blind, Egmore	2014-15 to 2018-19
170	Secretary, Avvai Home, Adyar, Chennai	2015-16 to 2018-19
171	St. Louis Institute for Deaf and Blind	2012-13 to 2018-19
172	Secretary, Tamil Nadu Basketball Association	2008-09 to 2018-19
173	Director, Kandaswamy Kandars Trust, Namakkal	2017-18 to 2018-19
174	Director Spastic Society of TamilNadu	2017-18 to 2018-19
175	Director, Stree Seva Mandir, Chennai	2017-18 to 2018-19
176	Secretary, Andhra Mahila Sabha	2017-18 to 2018-19
177	Director, Tamil Nadu Social Welfare Board	2018-19
178	Tamil Nadu Health System Project	2005-06, 2007-08, 2016-17 to 2019-20
179	District Blindness Control Society, Salem	2015-2020
180	State TB Society	2005-2020
181	Cancer Institute (WIA) Adyar, Chennai	2019-20
182	Voluntary Health Services	2017-18 to 2019-20
183	Schieffelin Institute of Health Research & Leprosy Centre	2016-17 to 2019-20
184	Dr. MGR Medical University	2019-20

Appendix 4.6

(Reference: Paragraph 4.13)

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	67	142.72	17	222.20	87	366.09
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	34.82	22	52.19
4	Commercial Tax	--	--	--	--	3	127.68	3	127.68
5	Co-operation	1	--	--	--	1	0.14	2	0.14
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	166.94	33	175.88
12	Highways	--	--	2	16.79	--	--	2	16.79
13	Home	1	0.97	1	--	6	22.53	8	23.50
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	5.70	6	6.88
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	38.11	5	50.27
22	Sericulture	1	0.05	--	--	1	1.36	2	1.41
23	Social Welfare	--	--	--	--	5	2.33	5	2.33
24	Transport	1	1.97	--	--	1	12.79	2	14.76
25	Treasury	--	--	1	4.00	--	--	1	4.00
	Total	28	8.83	107	216.77	198	1236.78	333	1462.38

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 1 st and ending on March 31 st 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.
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

Terms	Description
	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	<p>‘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.</p> <ol style="list-style-type: none"> 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.
Major Head	‘Major Head’ - means a Major Head of account for the purpose of recording and classifying the receipts and

Terms	Description
	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 <i>per cent</i> .
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 ,

Terms	Description
	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
AG (A&E)	Accountant General (Accounts and Entitlements)
CCOs	Chief Controlling Officers
CDRRP	Coastal Disaster Risk Reduction Project
CF	Contingency Fund
CFA	Contingency Fund Advance
CGST	Central Goods and Services Tax
CPS	Contributory Pension Scheme
CSF	Consolidated Sinking Fund
CSS	Centrally Sponsored Schemes
DCPS	Defined Contributory Pension Scheme
DDOs	Drawing and Disbursing Officers
DPC Act	Duties, Powers and Conditions of Service Act
DTs	District Treasuries
ECS	Electronic Clearance Service
ES	Economic Services
FFC	Fourteenth Finance Commission
GCS	General Category States
GDC	Government Data Centre
GDP	Gross Domestic Product
GoI	Government of India
GoTN	Government of Tamil Nadu
GRF	Guarantee Redemption Fund
GSDP	Gross State Domestic Product
GST	Goods and Services Tax
HoA	Head of Account
IGST	Integrated Goods and Services Tax
MTFP	Medium Term Fiscal Plan
NPS	National Pension System
PAC	Committee on Public Accounts
PAOs	Pay and Accounts Offices
PD	Personal Deposit
PFRDA	Pension Fund Regulatory and Development Authority
PSU	Public Sector Undertakings
RC	Reconciliation Certificate
RD & PR	Rural Development and Panchayat Raj

Abbreviations	Full form
SDRF	State Disaster Response Fund
SGST	State Goods and Services Tax
SIA	State Implementing Agency
SS	Social Services
TNBM	Tamil Nadu Budget Manual
TNEB	Tamil Nadu Electricity Board
TNFR Act	Tamil Nadu Fiscal Responsibility Act, 2003
TNSCB	Tamil Nadu Slum Clearance Board
TNUDF	Tamil Nadu Urban Development Fund
TUFIDCO	Tamil Nadu Urban Finance and Infrastructure Development Corporation
TWAD Board	Tamil Nadu Water Supply and Drainage Board
UCs	Utilisation Certificates
UDAY	Ujwal DISCOM Assurance Yojana
ULBs	Urban Local Bodies

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