



**State Finances Audit Report
of the
Comptroller and Auditor General of India
for the year ended March 2022**



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Tamil Nadu
Report No. 1 of the year 2023

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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 2022.

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 2017-18 to 2021-22, 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 revenue deficit increased from ₹ 21,594 crore in 2017-18 to ₹ 62,326 crore in 2020-21 and decreased to ₹ 46,538 crore in 2021-22. Since the revenue deficit has been on an increasing trend, it is unlikely that the State would achieve the target envisaged in TNFR Act, which is to eliminate revenue deficit by 2023-24.

The ratio of fiscal deficit to GSDP during the year stood at 3.96 per cent against the envisaged target of 3 per cent by 2023-24. As compared to the previous year, it decreased from ₹ 93,983 crore in 2020-21 to ₹ 81,835 crore in 2021-22.

The ratio of total outstanding debt to GSDP stood at 28.87 per cent at the end of 2021-22 slightly higher than 28.70 per cent, the target envisaged in the TNFR Act.

(Paragraphs 1.5 and 1.6.2)

Finances of the State

The State Government registered an increase of 19.20 per cent in its Revenue Receipts (₹ 2,07,492 crore) during 2021-22 compared to the previous year (₹ 1,74,076 crore).

(Paragraph 2.1)

The annual growth rate of own tax revenue during 2021-22 increased to 15.74 per cent as against a negative growth rate of (-) 1.22 per cent during the previous year. Own tax revenue as a percentage of GSDP of the State during 2021-22 was 5.95 per cent.

The non-tax revenue of the State increased by ₹ 1,695 crore (16.26 per cent) in 2021-22 over the previous year. As a proportion of the State's own resources, the non-tax revenue which stood at 8.94 per cent in 2020-21 marginally increased to 8.98 per cent in 2021-22.

(Paragraph 2.3.2.2)

Of the total expenditure of ₹ 2,94,682 crore during 2021-22, Revenue Expenditure (₹ 2,54,030 crore), Capital Expenditure (₹ 37,011 crore) and Loans and Advances (₹ 3,641 crore) accounted for 86.20 per cent, 12.56 per cent and 1.24 per cent respectively.

(Paragraph 2.4.1)

The committed expenditure increased from ₹ 1,18,061 crore in 2020-21 to ₹ 1,25,935 crore in 2021-22. But, as a percentage of revenue receipts,

committed expenditure decreased from 67.82 per cent in 2020-21 to 60.70 per cent in 2021-22.

(Paragraph 2.4.2.2)

With respect to the National Pension System, the State is yet to join the NPS and designate a Fund Manager in compliance with the PFRD Act. The Government had been incurring avoidable excess expenditure on payment of interest to the subscribers, as the yield from investment in LIC and T-Bills are much less than that of the GPF rate (the rate at which the State Government pays interest for NPS). During the year the Government had incurred an avoidable expenditure of ₹ 670.36 crore towards the differential amount of interest payment, which could have been averted had the Government opted for NPS and designated a fund manager where rates of return are much more. The subscribers, on the other hand, would have also been benefitted with more competitive interest rates, at least higher than the GPF rate of Tamil Nadu.

(Paragraph 2.4.2.3)

Subsidies consumed 10.45 per cent of State's revenue receipts. The total subsidies decreased (10.04 per cent) to ₹ 32,998 crore from ₹ 36,682 crore. Explicit subsidies decreased by 13.62 per cent (₹ 3,421 crore) during the year.

Implicit subsidies in the form of marriage assistance, maternity assistance, free supply of laptop, etc., marginally decreased by ₹ 263 crore during 2021-22 over the previous year. This amount was wrongly classified as Grants-in-aid instead of subsidies.

(Paragraph 2.4.2.4)

Government invested ₹ 42,167 crore (up to March 2022) in the share capital of statutory corporations, joint stock companies and co-operatives.

The average rate of return, increased marginally from 0.42 per cent in 2020-21 to 0.61 per cent during the current year. The return on investment was meagre compared to Government's average rate of borrowing of 7.50 per cent during the year.

(Paragraph 2.4.3.2)

The burden of interest payments (interest payments/revenue receipts) decreased from 20.97 per cent in 2020-21 to 20.03 per cent in 2021-22.

Out of the total borrowings of ₹ 1,04,485 crore, net debt available to the Government was only ₹ 41,132 crore due to repayment of public debt of ₹ 19,737 crore and interest payments of ₹ 35,521 crore.

(Paragraphs 2.7 and 2.7.1)

Budgetary Management

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

In respect of 15 cases, a total expenditure of ₹ 37.93 crore was incurred without Final Modified Appropriation. No provision was made either in the original or supplementary or at re-appropriation stage. In 6 cases, a total expenditure of ₹ 2.26 crore was incurred without appropriation by the Legislature either in the Original or Supplementary estimates.

(Paragraphs 3.3.1.1 and 3.3.1.2)

Supplementary provisions of ₹ 50 lakh or more in each case aggregating ₹ 242.64 crore obtained in 59 cases, during the year 2021-22 proved unnecessary as the original provisions itself was not exhausted.

(Paragraph 3.3.4)

In respect of 26 Heads of Account, though an amount of ₹ 1,366.36 crore was available (Original and Supplementary), an additional amount of ₹ 53.00 crore was provided at re-appropriation stage which was unnecessary as the total expenditure in these cases were only ₹ 1,253.15 crore and well within the earlier provisions made.

(Paragraph 3.3.5)

Surrenders to the tune of ₹ 29,879.64 crore was made during the year 2021-22. Out of ₹ 11,739.35 crore (Net) surrendered on the last day (31 March 2022), 92 cases amounting to ₹ 12,387.29 crore were in excess of over ₹ 10 crore, indicating inadequate financial control.

(Paragraph 3.3.6.2)

Under 24 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 92 per cent under capital section during all the past five years in Grant 16 -Finance Department.

(Paragraph 3.3.6.4)

During the year, excess disbursements over grants/appropriations were made for ₹ 5.24 crore. This expenditure needs to be regularised. Besides, excess expenditure of ₹ 2,848.83 crore relating to 2014-21 was yet to be regularised.

(Paragraph 3.3.7.1 and 3.3.7.2)

Quality of Accounts & Financial Reporting Practices

During the period 2018-22, 70 per cent of the tax collected were not credited to the Government Accounts and were retained with TANGEDCO. The possibility of the amount being expended by TANGEDCO for its own purposes cannot be ruled out. Such non-remittance to the Government account and retaining the collected tax for such a long period is fraught with the risk of temporary misappropriation.

(Paragraph 4.1)

Withdrawals of the entire provisions (₹ 26.19 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 4.2)

Non submission of Utilisation Certificates (UC) (₹ 803.29 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 4.4)

The non-adjustment of Temporary Advances involving substantial amounts (₹ 317.81 crore drawn and pending over a period of years) indicated laxity on the part of departmental officers in enforcing the codal provisions regarding adjustment of the advances.

(Paragraph 4.6)

There was a net difference (₹ 159.61 crore) in the closing balance for the year 2021-22 between the cash balance as per books of accounts of the Accountant General and the cash balance as reported by the Reserve Bank of India (RBI).

(Paragraph 4.11)

CHAPTER – 1

OVERVIEW

CHAPTER 1

OVERVIEW

1.1 Profile of Tamil Nadu

Tamil Nadu, with a geographical area of 1,30,058 Sq. Km is the 11th largest State in India. It comprises of 38 districts and 313 Taluks. As per the census 2011, the State's population was 7.21 crore, making it the seventh largest state in terms of population. Tamil Nadu is one among the leaders when it comes to social indicators. It has a Gross Enrolment Ratio (GER) of 51.4 *per cent* against All India GER 27.1 *per cent* in higher education. The literacy rate in Tamil Nadu as per 2011 census was 80.1 *per cent* against All India 73.0 *per cent*. Further details are provided 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	2017-18	2018-19	2019-20	2020-21	2021-22
GDP (2011-12 Series)	1,70,90,042	1,88,99,668	2,00,74,856	1,98,00,914	2,36,64,637
Growth rate of GDP over previous year (in <i>per cent</i>)	11.03	10.59	6.22	(-) 1.36	19.51
GSDP at current prices (2011-12 Series)	14,65,051	16,30,209	17,43,144	18,08,239	20,65,436
Growth rate of GSDP over previous year (in <i>per cent</i>)	12.47	11.27	6.93	3.73	14.22

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

The State's Gross Domestic Product (GSDP) in 2021-22 at current prices was 14.22 *per cent* as against India's growth rate of 19.51 *per cent*.

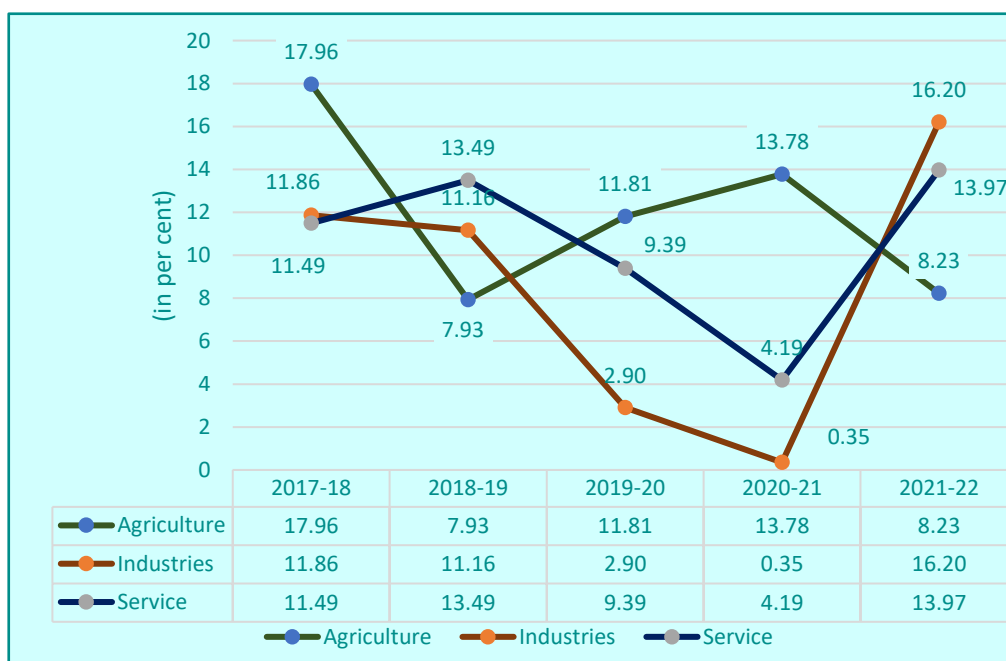
Chart 1.1: Change in sectoral contribution to GSDP (2017-18 to 2021-22)



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

During the five year period, the sectoral contribution of Agriculture Sector and Service Sector had increased by 0.62 per cent and 2.2 per cent respectively, there was a reduction of 1.69 percentage points in the Industry Sector. It is also to be noted that there was a considerable reduction in the Taxes on products minus the Subsidies on products from 9.18 per cent to 8.05 per cent.

Chart 1.2: Sectoral growth in GSDP



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

From the chart above it is seen that, while there was a decrease in the sectoral growth of Agriculture sector in GSDP during the year 2021-22 when compared with the previous year, the sectoral growth with respect to Industries Sector and Service Sector has substantially gone up during 2021-22, which could be attributed to restart of economic activities post CoVID 19 period.

1.2 Basis and Approach to State Finances Audit Report

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

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

Finance Accounts and Appropriation Accounts of the State for the year 2021-22 constitute the core data for this report. Other sources include the following:

- Budget of the State for the year 2021-22: for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit carried out by the Office of the Principal Accountant General (Audit-I), Tamil Nadu;
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS),
- GSDP data and other State related statistics; and
- Various audit reports of the CAG of India.

The analysis is also carried out in the context of recommendations of the Finance Commission (FC), Tamil Nadu State Financial Responsibility and Budget Management Act (TNFR Act), best practices and guidelines of the Government of India. An entry conference was held with State Finance Department on 26 July 2022 and the exit conference was held on 8 December 2022.

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

1.3 Report Structure

The SFAR is structured into the following four Chapters:

Chapter – 1	Overview This Chapter describes the basis and approach to the Report and the underlying data provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficits / surplus.
Chapter – 2	Finances of the State This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2017-18 to 2021-22, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
Chapter – 3	Budgetary Management This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.
Chapter – 4	Quality of Accounts & Financial Reporting Practices This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.

1.4 Overview of Government Account Structure and Budgetary Processes

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

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

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

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

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

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

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

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 (Own Tax revenue plus share of Union Taxes / Duties), non-tax revenue 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.

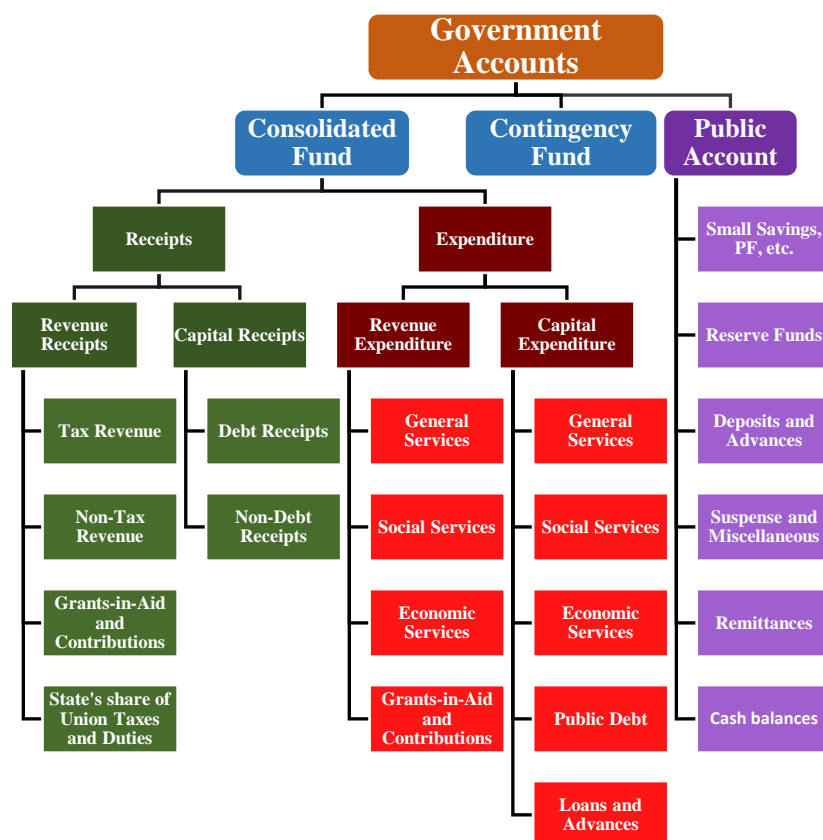
At present, we have an accounting classification system in Government that is both functional and economic.

	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.

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, subsequently revised in June 2021, are given in **Appendix 1.3 - Part B**.

Structure of Government Accounts



Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of Tamil Nadu caused to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year 2021-22, in the form of an **Annual Financial Statement** (referred to as Budget) with estimates of expenditure

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

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

In terms of Article 203, the above was submitted to the State Legislature in the form of 54 Demands for Grants/ Appropriations and two 'Other Publications' for Debt Charges and Public Debt repayments. After approval of these, the Appropriation Bill was passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

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

1.4.1 Snapshot of Finances

The **Table 1.2** provides the details of actual financial results *vis-à-vis* Budget Estimates (Revised) for the year 2021-22 *vis-à-vis* actual of 2020-21.

Table 1.2: Financial results *vis-à-vis* Budget Estimates (Revised) for the year 2021-22 *vis-à-vis* actual of 2020-21

(₹ in crore)

Sl. No.	Components	2020-21 Actuals	2021-22 (Budget Estimates Revised)	2021-22 Actuals	Percentage of actual to BE	Percentage of actual to GSDP ^a
1	Tax Revenue*	1,31,077	1,55,438	1,60,324	103.14	7.76
	(i) Own-Tax Revenue	1,06,153	1,21,858	1,22,866	100.83	5.95
	(ii) Share of Union taxes/duties**	24,924	33,580	37,458	111.55	1.81
2	Non-Tax Revenue	10,422	11,831	12,117	102.42	0.59
3	Grants-in-aid and Contributions***	32,577	36,609	35,051	95.74	1.70
4	Revenue Receipts (1+2+3)	1,74,076	2,03,878	2,07,492	101.77	10.05
5	Recovery of Loans and Advances	5,245	5,946	5,355	90.06	0.26
6	Other Receipts	--	--	--	--	--
7	Borrowings and other Liabilities (a)	93,983	90,827	81,835#	90.10	3.96
8	Capital Receipts (5+6+7)	99,228	96,773	87,190	87.39	4.22
9	Total Receipts (4+8)	2,73,304	3,00,651	2,94,682	98.01	14.27
10	Revenue Expenditure	2,36,402	2,59,151	2,54,030	98.02	12.30
11	Interest payments	36,497	41,461	41,564	100.25	2.01
12	Capital Expenditure	33,067	37,936	37,011	97.56	1.79
13	Loan and advances	3,835	3,564	3,641	102.16	0.18
14	Total Expenditure (10+12+13)	2,73,304	3,00,651	2,94,682	98.01	14.27
15	Revenue Deficit^{^^}: (4-10)	(-) 62,326	(-) 55,273	(-) 46,538	84.20	2.25
16	Fiscal Deficit^{^^}: {(4+5+6)-14}	(-) 93,983	(-) 90,827	(-) 81,835	90.10	3.96
17	Primary Deficit (16-11)	(-) 57,486	(-) 49,366	(-) 40,271	81.58	1.95

(Source: Budget documents and Finance Accounts)

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

\$ GSDP at current prices ₹ 20,65,436 crore

* includes SGST ₹ 45,276 crore; ** includes CGST ₹ 10,308 crore; *** Compensation to State Government for Revenue losses on rollout of Goods and Services Tax ₹ 7,236 crore

Effective borrowings and other liabilities would be ₹ 73,740 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 8,095 crore (₹ 6,241 crore during 2020-21) given to State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

^^ The revenue deficit of ₹ 46,538 crore and the fiscal deficit of ₹ 81,835 crore during the year 2021-22 may be read in conjunction with debt receipt of ₹ 8,095 crore in lieu of GST compensation.

1.4.2 Assets and liabilities of the Government

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

Table 1.3: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities					Assets				
		2020-21	2021-22	Per cent increase / decrease			2020-21	2021-22	Per cent increase / decrease
Consolidated Fund									
A	Internal Debt	4,29,748	5,02,205	16.86	a	Gross Capital Outlay	2,78,702	3,15,713	13.28
B	Loans and Advances from GoI	27,440	39,731*	44.79	b	Loans and Advances	38,587	36,873	(-) 4.44
C	Contingency Fund	150	150	--	c	Contingency Fund	--	--	--
Public Account									
A	Small Savings, Provident Funds, etc.	29,352	32,033	9.13	a	Advances	8	8	--
B	Deposits	71,912	82,625	14.90	b	Remittance	8	14	75.00
C	Reserve Funds	10,233	11,288	10.31	c	Suspense and Miscellaneous	237	280	18.14
D	Suspense and Miscellaneous	--	--	--	d	Cash balance (including investment in Earmarked Fund)	55,073	72,386	31.44
						Total	3,72,615	4,25,274	14.13
						Cumulative excess of expenditure over receipts	1,96,220	2,42,758	23.72
	Total	5,68,835	6,68,032	17.44		Total	5,68,835	6,68,032	

(Source: Finance Accounts)

* Effective Loans and Advances would be ₹ 25,395 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 8,095 crore in 2021-22 and ₹ 6,241 crore during 2020-21 given to the State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

There is significant increase in liabilities by 17.44 *per cent* during the year. However, if the back to back loan in lieu of GST compensation of ₹ 14,336 crore (₹ 8,095 crore in 2021-22 and ₹ 6,241 crore in 2020-21) were excluded as decided by the Finance Commission, the growth in liabilities reduces to 14.92 *per cent*.

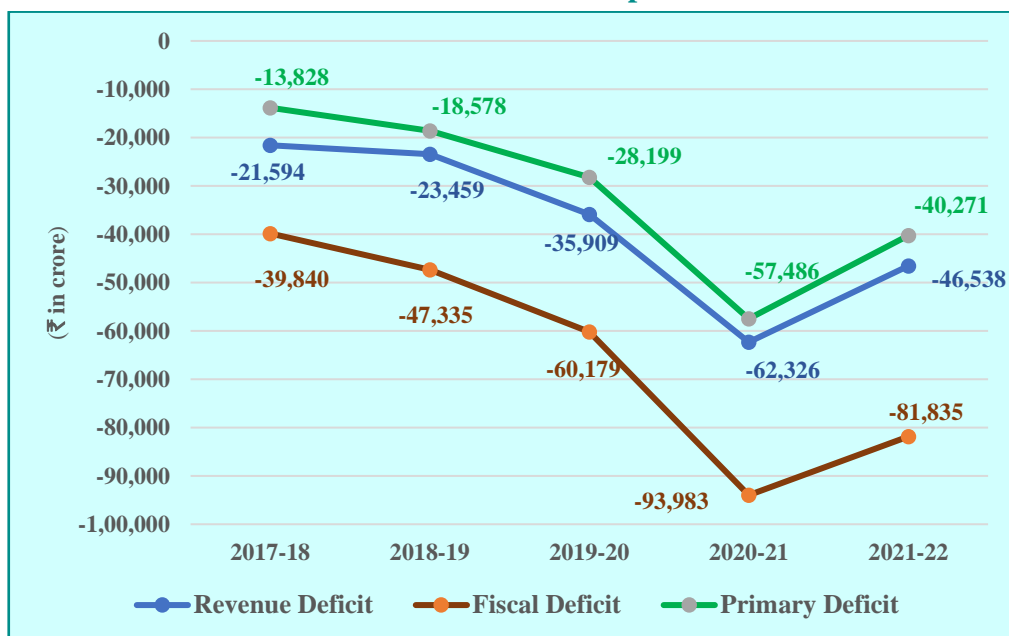
1.5 Fiscal Indicators

Three key fiscal parameters, *viz.*, revenue, fiscal and primary deficits, indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government Accounts represents the gap between its receipts and expenditure. Further, the ways in which the deficit is financed and the resources raised are applied as important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set for the financial year 2021-22 under TNFR Act, 2003.

1.5.1 Fiscal trends

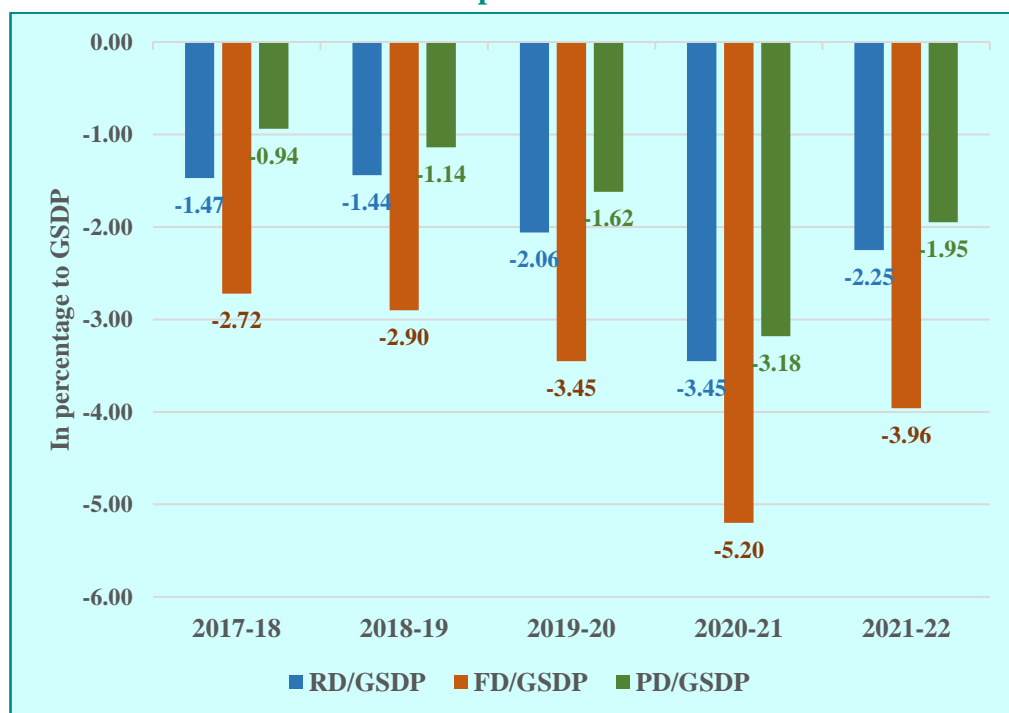
Charts 1.3 to 1.5 show that all three deficits have decreased but the debt/GSDP ratio was on an increasing trend from 22.29 per cent in 2017-18 and stood at 28.87 per cent in 2021-22 and exceeded the target of 28.70 per cent set in TNFR Act. The fiscal deficit to GSDP ratio decreased from the previous year and stood at 3.96 per cent during the current year.

Chart 1.3: Trends in deficit parameters



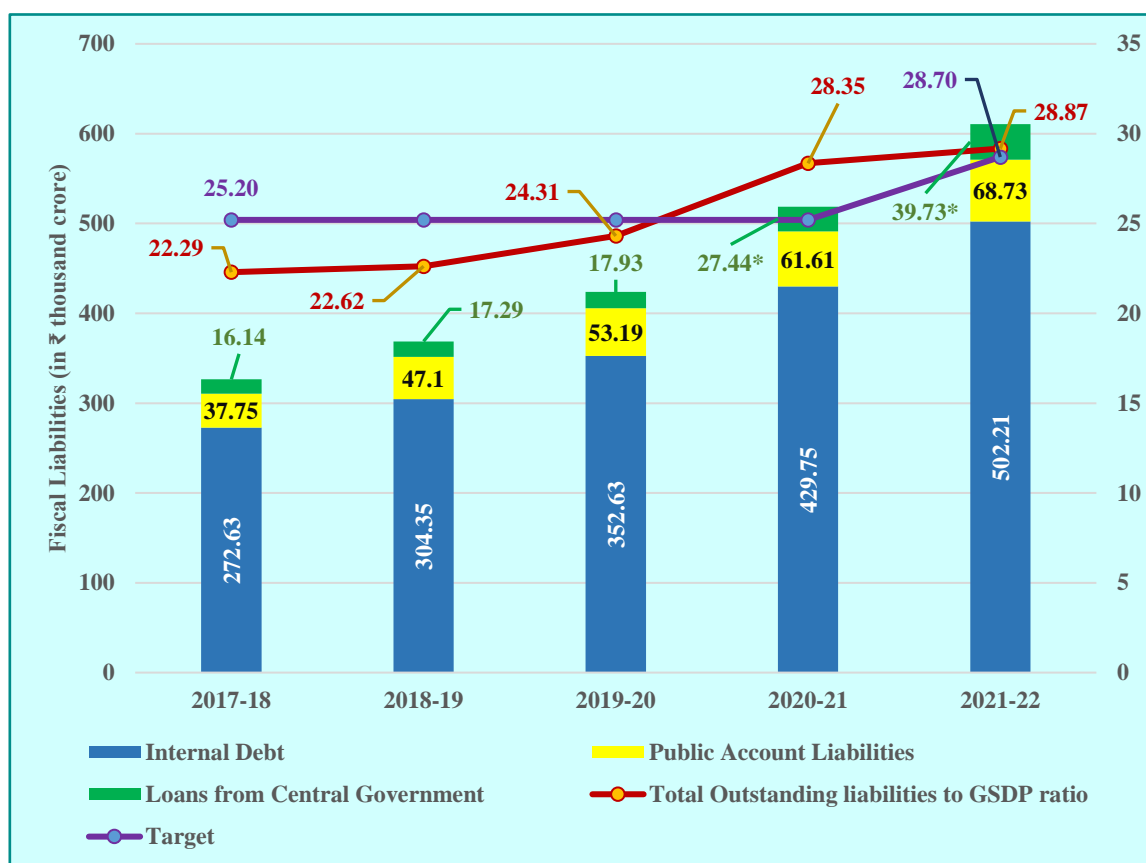
(Source: Finance Accounts of the respective years)

Chart 1.4: Trends in surplus / deficit relative to GSDP



(Source: Finance Accounts of the respective years)

Chart 1.5: Trends in fiscal liabilities and GSDP



(Source: Finance Accounts of the respective years)

* Effective loans and advances from Central Government would be ₹ 25.39 thousand crore during 2021-22 and ₹ 21.20 thousand crore during 2020-21

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

The targeted timeline to eliminate revenue deficit and reduce fiscal deficit was extended by GoTN from time to time by amending the TNFR Act, 2003. In compliance with the provisions of TNFR Act, 2003, the State Government prepared a Medium-Term Fiscal Plan (MTFP) for the period 2021-22.

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				
		2017-18	2018-19	2019-20	2020-21	2021-22
GSDP at current prices (₹ in crore)		14,65,051	16,30,209	17,43,144	18,08,239	20,65,436
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Eliminate Revenue Deficit by 2023-24	(-) 21,594	(-) 23,459	(-) 35,909	(-) 62,326	(-) 46,538
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	Reduce Fiscal deficit to three per cent by March 2024	(-) 39,840 (2.72)	(-) 47,335 (2.90)	(-) 60,179 (3.45)	(-) 93,983 (5.20)	(-) 81,835 (3.96)
Total outstanding debt (₹ in crore)		3,26,518	3,68,736	4,23,743	5,18,796	6,10,667
Ratio of total outstanding debt to GSDP (in per cent)	28.70 per cent	22.29	22.62	24.31	28.35*	28.87*

(Source: (i) TNFR Act; (ii) Budget Speech -2021-22 and (iii) Finance Accounts for the respective years)

* The back-to-back loan of ₹ 8,095 crore (₹ 6,241 crore during 2020-21) received from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator.

- The State Government amended the TNFR Act, 2003 in June 2021 to extend the time limit to eliminate revenue deficit by 2023-24 and to maintain the ratio of fiscal deficit to GSDP as not more than three per cent by 31 March 2024.

In the Exit Conference, Additional Chief Secretary, Finance Department, requested to revise the percentage of Fiscal Deficit to GSDP as 3.57 per cent as back to back loan of ₹ 8,095 crore did not form part of public debt.

The back to back loan was booked under the major head 6004 – Public Debt. Hence, it cannot be treated as revenue receipts and percentage of fiscal deficit to GSDP remains at 3.96 per cent.

It is observed that the state has improved itself in all three variables viz., Revenue Deficit, Fiscal Deficit and Primary Deficit, however, still above the TNFR act levels. Actual performance when compared to target set in MTFP is given in Table 1.5.

Table 1.5: Actuals vis-à-vis projection in MTFP for 2021-22

(₹ in crore)

Sl. No	Fiscal Variables	Projection as per MTFP	Actuals (2021-22)	Variation (in per cent)
1	Own Tax Revenue	1,52,270	1,22,866	(-) 19.31
2	Non-Tax Revenue	17,807	12,117	(-) 31.96
3	Share of Central Taxes	36,463	37,458**	2.73
4	Grants-in-aid from GoI	44,516	35,051	(-) 21.26
5	Revenue Receipts (1+2+3+4)	2,51,056	2,07,492	(-) 17.35
6	Revenue Expenditure	2,67,949	2,54,030	(-) 5.19
7	Revenue Deficit (-)/ Surplus (+) (5-6)	(-) 16,893	(-) 46,538	175.49
8	Fiscal Deficit (-)/ Surplus (+)	(-) 60,481	(-) 81,835	35.31
9	Debt-GSDP ratio (per cent)	28.70	28.87*	0.17
10	GSDP growth rate at current prices (per cent)	23.36	14.22	(-) 9.14

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

* The back-to-back loans (₹ 8,095 crore during the current year and ₹ 6,241 crore during 2020-21) received from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator.

** Tax devolution of Central Taxes during 2021-22 includes release of short devolved share in Central Taxes of ₹ 3,224.59 crore for the period from 1996-97 to 2017-18

It may be seen from the table that there was a significant drop in receipts under Own tax revenue, Non-tax revenue and Grants-in-aid from GoI than that anticipated in the MTFP projection for the year 2021-22. With respect to own tax revenue and non-tax revenue, the projection made in MTFP in 2020-21 (own tax revenue : ₹ 1,41,186 crore and non-tax revenue : ₹ 13,993 crore) was also not achieved during the year 2021-22.

1.6 Deficits and Total Debt after examination in audit

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

1.6.1 Post audit - Deficits

(i) Scrutiny of transactions during the year revealed that, revenue deficit and fiscal deficit were affected by certain accounting adjustments as detailed in Table 1.6:

Table 1.6: Under/Over statement of Revenue and Fiscal Deficit

Particulars	Impact on Revenue Deficit (Understated (+) / overstated (-)) (₹ in crore)	Impact on Fiscal Deficit (Understated (+) / overstated (-)) (₹ in crore)
Incorrect adjustment of recoveries of capital expenditure under Revenue Section	(+) 10.79	--
Interest on interest bearing Reserve Funds and Deposits not credited (State Compensatory Afforestation Fund)	(-) 3.80	(-) 3.80
Previous years receipt accounted this year due to non-reporting of agency banks to PAO during the respective years	(+) 374.95	(+) 374.95
Non reporting of Interest receipt from Investment of DCPS in LIC	(-) 1,995.50	(-) 1,995.50
Total	(-) 1613.56	(-) 1,624.35

(Source: Finance Accounts)

The fiscal deficit of the state during the year would increase from ₹ 81,834.54 crore to ₹ 83,458.89 crore. The resultant impact would be an increase of 0.08 *per cent* over the actual 3.96 *per cent* fiscal deficit to GSDP ratio depicted in the accounts.

Further scrutiny of certain transactions during 2021-22 revealed that there was short contribution to Consolidated Sinking fund (₹ 1,874.58 crore), short contribution to Guarantee Redemption Fund (₹ 18,070.33 crore). This also impacted the Revenue Deficit and Fiscal Deficit to that extent.

1.6.2 Post audit – Total Outstanding Debt

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 1.7** below:

Table 1.7: Total outstanding debts / liabilities

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
Total outstanding debts/ liabilities	3,26,518	3,68,736	4,23,743	5,18,796*	6,10,667*
Rate of growth of outstanding debts (in <i>per cent</i>)	15.22	12.93	14.92	22.43*	17.71*
Ratio of total outstanding debt to GSDP (in <i>per cent</i>)	22.29	22.62	24.31	28.35**	28.87**

(Source: Finance Accounts for the respective years)

* Effective total outstanding debt would be ₹ 5,12,555 crore in 2020-21 and ₹ 5,96,331 crore in 2021-22 as the Department of Expenditure, GoI had decided that GST compensation of ₹ 8,095.25 crore given during the year and ₹ 6,241 crore given during 2020-21 to the State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. The effective rate of growth would stand at 16.34 *per cent* in 2021-22 and 20.96 *per cent* in 2020-21.

** The back-to-back loan of ₹ 8,095.25 crore received during the year and ₹ 6,241 crore received during 2020-21 from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator.

The effective outstanding debt grew by 16.34 *per cent* over previous year (actual growth is 17.71 *per cent*). Considering the capital expenditure of only ₹ 40,652 crore during the year and the high fiscal deficit, it is indicative that the borrowing during the year was utilised for financing the revenue expenditure. To the extent of reduced capital formation, debt acts as ‘burden’ on future generations.

The debt/GSDP ratio (28.87 *per cent*) exceeded the target of ‘not being more than 28.70 *per cent* as per MTFP and if outstanding off-budget borrowing of ₹ 27,669.88 crore is included to the total outstanding liabilities, the ratio of total outstanding debt to GSDP will increase to 30.21 *per cent* i.e., by 1.34 *per cent* during the year.

In the Exit Conference, ACS stated that the TNEB would be in a better position in future as the tariff had been increased recently. With respect to percentage of outstanding liabilities to GSDP, ACS stated that it would be looked into.

1.7 Conclusion

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

Fiscal position: The revenue deficit decreased from ₹ 62,326 crore during 2020-21 to ₹ 46,538 crore during the current year (25.33 *per cent* decrease) mainly due to increase in share of net proceeds of ₹ 12,534 crore (50.29 *per cent*). The revenue deficit had increased from ₹ 21,594 crore in 2017-18 to ₹ 62,326 crore in 2020-21 and decreased to ₹ 46,538 crore in 2021-22. Existence of revenue deficit is a cause of concern as revenue receipts were not able to meet even the revenue expenditure leading to increased borrowings.

The ratio of fiscal deficit to GSDP during the year stood at 3.96 *per cent* indicating an improvement of 1.24 percentage point compared to 2020-21. However, the ratio of total outstanding debt to GSDP stood at 28.87 *per cent*, at the end of 2021-22 slightly higher than 28.70 *per cent*, the target envisaged in the TNFR Act.

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 (2021-22) and analyses critical changes in the major fiscal aggregates relative to the previous year (2020-21), keeping in view the overall trend during the last five years.

2.1 Summary of fiscal transactions in 2021-22 vis-à-vis 2020-21

Table 2.1 presents the summary of the State Government's fiscal transactions during the current year (2021-22) vis-à-vis the previous year (2020-21) and **Appendix 2.1** depicts the trends of fiscal indicators over the period 2017-2022.

Table 2.1: Summary of fiscal operations in 2021-22 vis-à-vis 2020-21

(₹ in crore)

Receipts	2020-21	2021-22	Disbursements	2020-21	2021-22
Section-A: Revenue					
Revenue receipts	1,74,076.30	2,07,492.40	Revenue expenditure	2,36,402.18	2,54,030.42
State's Own Tax revenue	1,06,152.96	1,22,866.29	General Services	78,992.92	84,893.54
Non-tax revenue	10,421.85	12,116.52	Social Services	89,804.85	88,749.10
Share of Union Taxes/Duties	24,924.51	37,458.62 ^{\$}	Economic Services	51,808.56	60,898.32
Grants from Government of India	32,576.98	35,050.97	Grants-in-aid and Contributions	15,795.85	19,489.46
Section-B: Capital and Others					
Miscellaneous Capital Receipts	--	0.01	Capital Outlay	33,067.65	37,010.78
			General Services	936.58	780.21
			Social Services	10,831.17	14,984.96
			Economic Services	21,299.90	21,245.61
Recoveries of Loans and Advances	5,245.25	5,354.77	Loans and Advances disbursed	3,834.83	3,640.52
Public Debt receipts	1,02,866.97	1,04,484.99*	Repayment of Public Debt	16,228.57	19,737.24
Contingency Fund	--	--	Contingency Fund	--	--
Public Account receipts	3,36,177.54	3,98,156.68	Public Account disbursements	3,23,188.72	3,83,756.59
Opening Cash Balance	49,428.69	55,072.80	Closing Cash Balance	55,072.80	72,386.10
Total	6,67,794.75	7,70,561.65	Total	6,67,794.75	7,70,561.65

(Source: Finance Accounts)

* Effective public debt receipts would be ₹ 96,389.74 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 8,095.25 crore given to the State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission

^{\$} Actual tax devolution of Central Taxes during 2021-22 includes release of short devolved share in Central Taxes of ₹ 3,224.59 crore for the period from 1996-97 to 2017-18

Table 2.2: Major Changes in key fiscal aggregates in 2021-22 compared to 2020-21

Revenue Receipts	<ul style="list-style-type: none"> ✓ Revenue receipts of the State increased by 19.20 <i>per cent</i> ✓ Own Tax receipts of the State increased by 15.74 <i>per cent</i> ✓ Non-tax receipts increased by 16.26 <i>per cent</i> ✓ State's Share of Union Taxes and Duties increased by 50.29 <i>per cent</i> ✓ Grants-in-Aid from Government of India increased by 7.59 <i>per cent</i>
Revenue Expenditure	<ul style="list-style-type: none"> ✓ Revenue expenditure increased by 7.46 <i>per cent</i> ✓ Revenue expenditure on General Services increased by 7.47 <i>per cent</i> ✓ Revenue expenditure on Social Services decreased by 1.18 <i>per cent</i> ✓ Revenue expenditure on Economic Services increased by 17.54 <i>per cent</i> ✓ Expenditure on Grants-in-Aid increased by 23.38 <i>per cent</i>
Capital Outlay	<ul style="list-style-type: none"> ✓ Capital expenditure increased by 11.92 <i>per cent</i> ✓ Capital expenditure on General Services decreased by 16.70 <i>per cent</i> ✓ Capital expenditure on Social Services increased by 38.35 <i>per cent</i> ✓ Capital expenditure on Economic Services decreased marginally by 0.25 <i>per cent</i>
Loans and Advances	<ul style="list-style-type: none"> ✓ Disbursement of Loans and Advances decreased by 5.07 <i>per cent</i> ✓ Recoveries of Loans and Advances increased by 2.09 <i>per cent</i>
Public Debt	<ul style="list-style-type: none"> ✓ Public Debt Receipts increased by 1.57 <i>per cent</i> ✓ Repayment of Public Debt increased by 21.62 <i>per cent</i>
Public Account	<ul style="list-style-type: none"> ✓ Public Account Receipts increased by 18.44 <i>per cent</i> ✓ Disbursement of Public Account increased by 18.74 <i>per cent</i>
Cash Balance	<ul style="list-style-type: none"> ✓ Cash balance increased by ₹ 17,313 crore (31.44 <i>per cent</i>) during 2021-22 compared to previous year

The significant changes that occurred during 2021-22, as compared to the previous year are enumerated in the succeeding sub paragraphs.

- **Revenue receipts** of the State increased by 19.20 *per cent* (₹ 33,416 crore) over the previous year. However, it was noticed that an amount of ₹ 4,139 crore received during the year relates to previous years. In the year 2020-21, revenue receipts included an amount of ₹ 4,321 crore, which related to release of GST compensation for the period 2017-18. Then, the actual revenue receipts growth would be 19.79 *per cent* when these amounts are excluded.
- **Revenue expenditure** increased by ₹ 17,628 crore (7.46 *per cent*) over the previous year mainly due to increased interest payment on market loans and Grants for waiver of agricultural loans availed by Co-operative Institutions from NABARD.
- **Capital expenditure** increased by 11.92 *per cent* (₹ 3,943 crore) during 2021-22 over the previous year, as compared to the growth rate of 29.01 *per cent* in 2020-21 over 2019-20. Major increases were under Urban Development (₹ 3,997.05 crore – 89.69 *per cent*), Civil Aviation

(₹ 917.66 crore – 215.14 per cent) and Power Projects (₹ 442.39 crore – 100 per cent)

- **Public Debt Receipts i.e., borrowings** increased by ₹ 1,618 crore (1.57 per cent) over the previous year.
- **Recoveries of loans and advances** during the year increased by ₹ 110 crore (2.09 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 ₹ 792 crore as against ₹ 682 crore received during the previous year.
- **Loans and advances** disbursed during the year decreased by ₹ 194 crore (5.07 per cent) from the previous year.
- **Public Account receipts and disbursements** increased by ₹ 61,979 crore (18.44 per cent) and by ₹ 60,567 crore (18.74 per cent) respectively. Net receipts under Public Account increased by ₹ 1,411 crore over the previous year.
- The net impact of these transactions led to an increase of ₹ 17,313 crore in the **cash balance** at the end of the year over the previous year. The cash balance increased by 31 per cent against an increase of 11 per cent during 2020-21.

2.2 Sources and Application of Funds

Table 2.3: Details of Sources and Application of funds during 2020-21 and 2021-22

(₹ in crore)

	Particulars	2020-21	2021-22	Increase/ Decrease
Sources	Opening Cash Balance with RBI	49,428	55,073	5,645
	Revenue Receipts	1,74,076	2,07,492	33,416
	Recoveries of Loans and Advances	5,245	5,355	110
	Contingency Fund (recouped during the year)	--	--	--
	Public Debt Receipts (Net)	86,638	84,748*	(-) 1,890
	Public Account Receipts (Net)	12,989	14,400	1,411
	Total	3,28,376	3,67,068	38,692
Application	Revenue Expenditure	2,36,402	2,54,030	17,628
	Capital Expenditure	33,067	37,011	3,944
	Disbursement of Loans and Advances	3,835	3,641	(-) 194
	Closing Cash Balance with RBI	55,072	72,386	17,314
	Total	3,28,376	3,67,068	38,692

(Source: Finance Accounts)

* Effective Public Debt receipts (Net) would be ₹ 76,653 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 8,095.25 crore given to State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

Note: Closing cash balance of 2020-21 and opening cash balance of 2021-22 differ by ₹ 0.01 crore due to rounding.

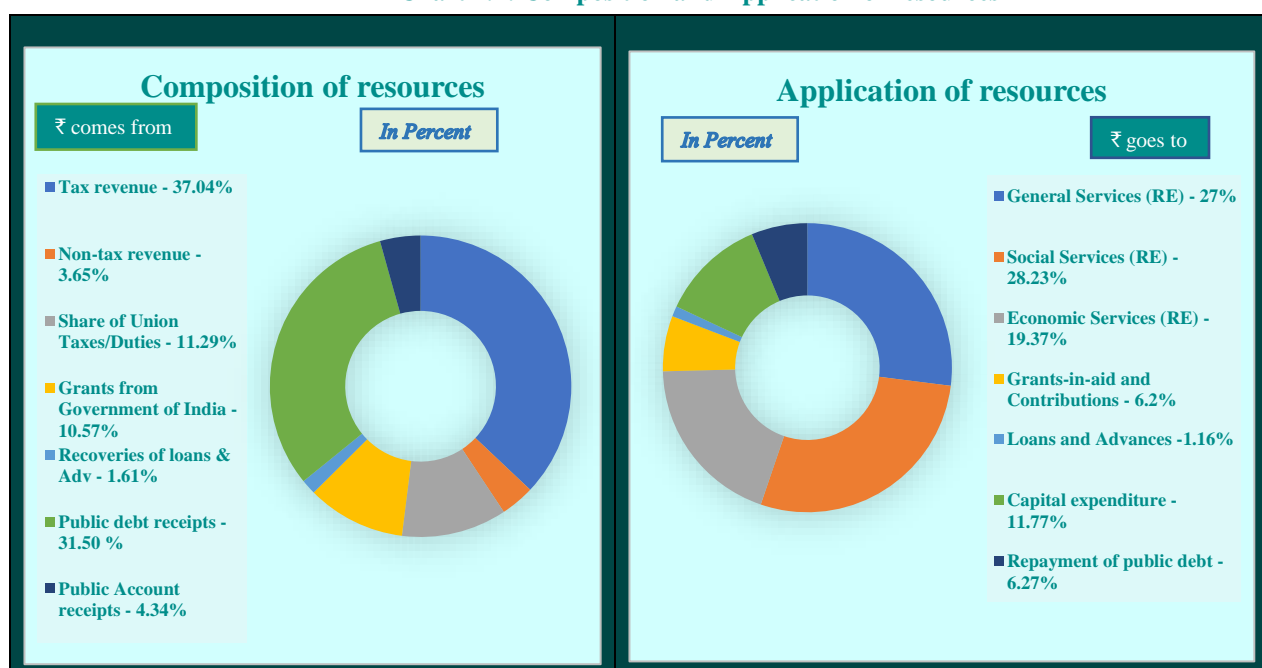
¹ Tamil Nadu Generation and Distribution Corporation

2.3 Resources of the State

The resources of the State are described below:

1. **Revenue receipts** consist of tax revenue (Own Tax revenue plus share of Union Taxes / Duties), non-tax revenue and grants from 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.

Chart 2.1: Composition and Application of resources



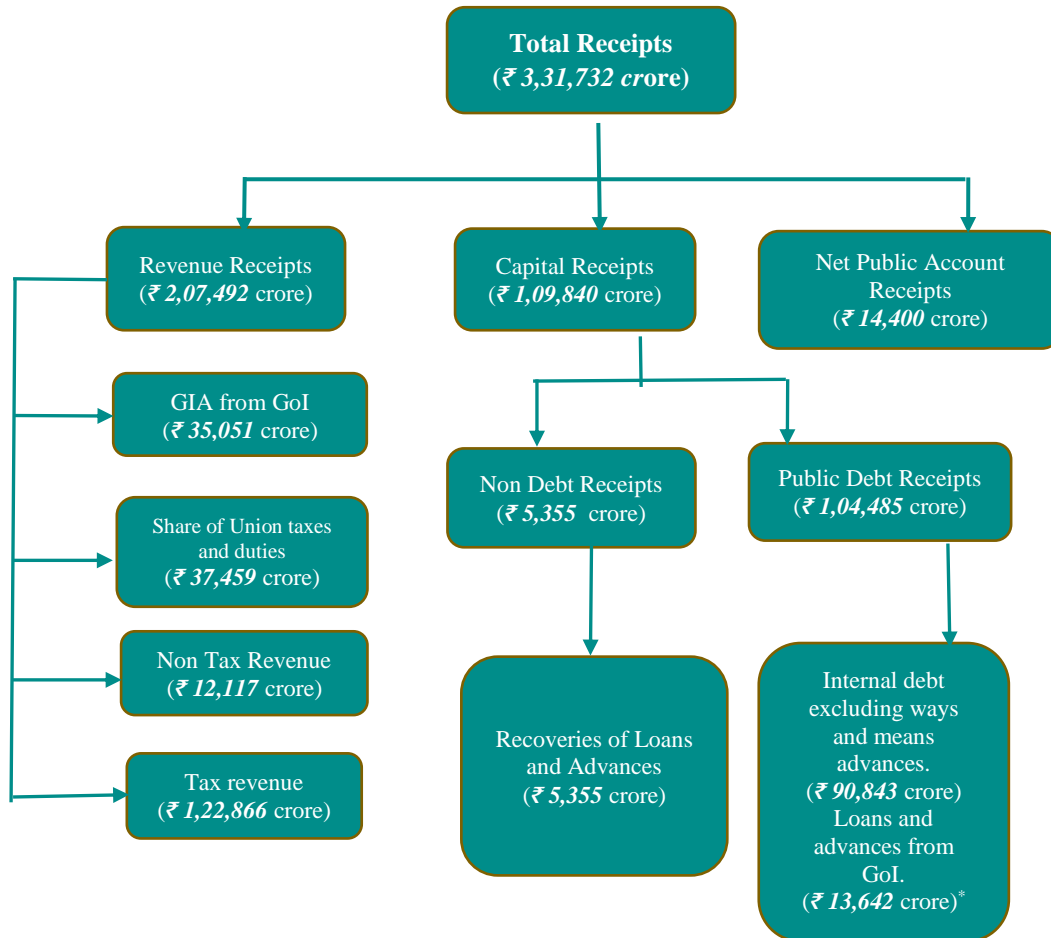
RE – Revenue Expenditure.

(Source: Finance Accounts)

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 2021-22



* Effective Loans and Advances from GoI would be ₹ 5,547 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 8,095.25 crore given to State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. As a result, the effective Public Debt receipts would be ₹ 96,390 crore

The total resources of the State Government in 2021-22 were ₹ 3,31,732 crore. Of these, revenue receipts were ₹ 2,07,492 crore, which constituted 62.55 *per cent* of total resources. Capital receipts (₹ 1,09,840 crore) and net Public Account receipts (₹ 14,400 crore) constituted 33.11 *per cent* and 4.34 *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

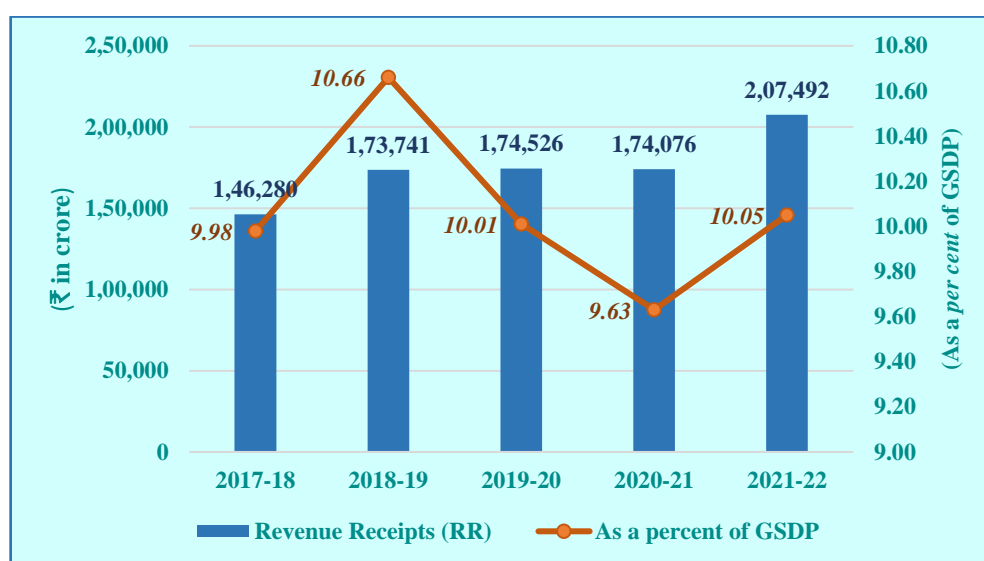
Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Receipts (RR) (₹ in crore)	1,46,280	1,73,741	1,74,526	1,74,076	2,07,492
Rate of growth of RR (<i>per cent</i>)	4.31	18.77	0.45	(-) 0.26	19.20
Own Tax Revenue (₹ in crore)	93,737	1,05,534	1,07,462	1,06,153	1,22,866
Non-Tax Revenue (₹ in crore)	10,764	14,200	12,888	10,422	12,117
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (<i>per cent</i>)	9.02	14.58	0.51	(-) 3.14	15.79
Gross State Domestic Product (₹ in crore) (2011-12 series)	14,65,051	16,30,209	17,43,144	18,08,239	20,65,436
Rate of growth of GSDP (<i>per cent</i>)	12.47	11.27	6.93	3.73	14.22
RR/GSDP (<i>per cent</i>)	9.98	10.66	10.01	9.63	10.05
Buoyancy Ratios²					
Revenue Buoyancy w.r.t GSDP	0.35	1.67	0.06	(-) 0.07	1.35
State's Own Revenue Buoyancy w.r.t GSDP	0.72	1.29	0.07	(-) 0.84	1.11

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

- Revenue receipts of the State increased by 19.20 *per cent* (₹ 33,416 crore) over the previous year. However, it was noticed that an amount of ₹ 4,139 crore during the year relates to previous year. In the year 2020-21, revenue receipts included an amount of ₹ 4,321 crore, which related to release of GST compensation for the period 2017-18. Then, the actual revenue receipts growth would be 19.79 *per cent* when these amounts are excluded.
- The Revenue expenditure increased by 7.46 *per cent*. The annual growth rate of revenue receipts during 2021-22 was 19.20 *per cent* as against a negative growth rate of 0.26 *per cent* during the previous year.
- Revenue buoyancy with reference to GSDP increased to 1.35 during the current year from (-) 0.07 during the previous year.

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

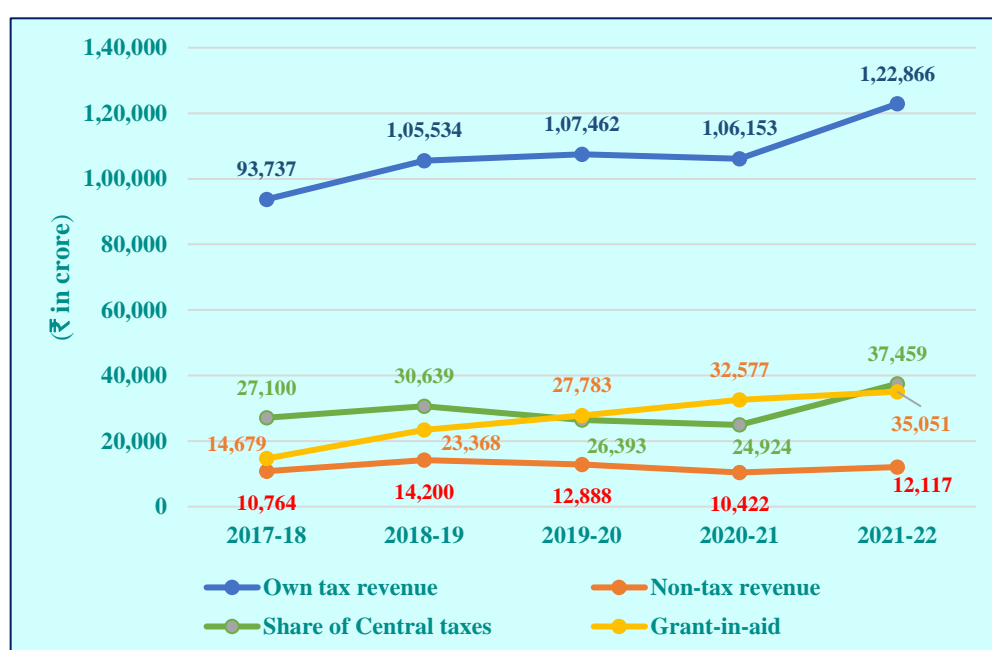
Chart 2.2: Trend of Revenue Receipts



(Source: Finance Accounts for the respective years)

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

Chart 2.3: Trend of components of Revenue Receipts



(Source: Finance Accounts for the respective years)

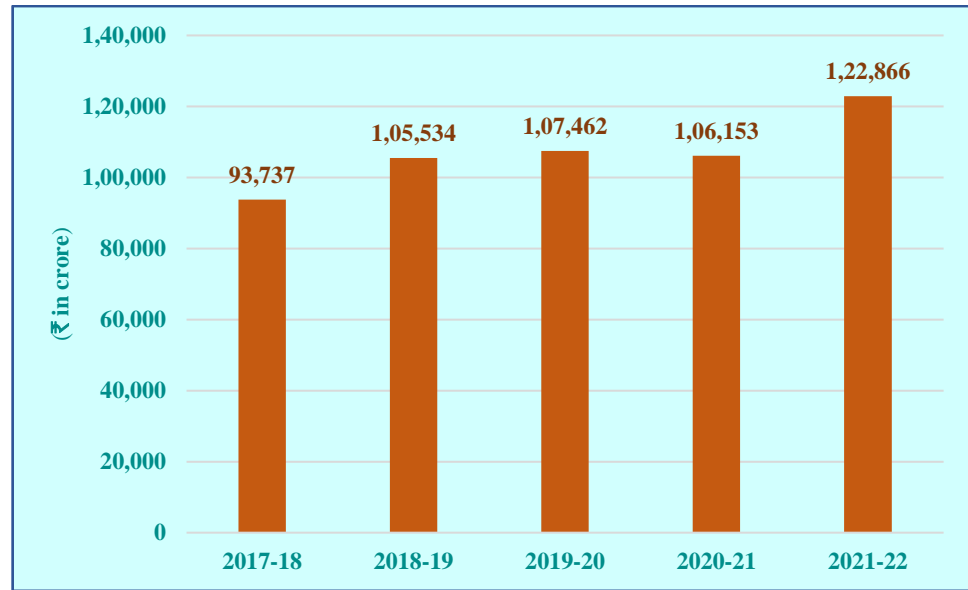
2.3.2.2 State's Own Resources

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

Own Tax revenue

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

Chart 2.4: Growth of Own Tax Revenue during 2017-2022



(Source: Finance Accounts for the respective years)

Components of State's own tax revenue

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

Table 2.5: Components of State's own tax revenue

(₹ in crore)

Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22	Sparkline
State Goods and Service Tax	24,589	38,533	38,376	37,942	45,277	
Taxes on Sales, Trade, etc.	46,356	42,701	44,515	43,489	48,668	
State Excise	5,815	6,863	7,206	7,822	8,237	
Taxes on Vehicles	5,363	5,573	5,675	4,561	5,627	
Stamps and Registration Fees	9,195	11,066	10,856	11,675	14,331	
Land Revenue	152	178	258	211	205	
Taxes on Goods and Passengers	900	3	11	2	12	
Other Taxes	1,367	617	565	451	509	
Total	93,737	1,05,534	1,07,462	1,06,153	1,22,866	
(Growth rate over previous year in per cent)	(9.07)	(12.59)	(1.83)	((-) 1.22)	(15.74)	

(Source: Finance Accounts for the respective years)

- The annual growth rate of own tax revenue during 2021-22 increased considerably to 15.74 per cent as against a negative growth rate of (-) 1.22 per cent during the previous year.
- Own tax revenue as a percentage of GSDP of the State during 2021-22 was 5.95 per cent as compared to its neighbouring States of Karnataka and Kerala which were 7.01 per cent and 6.47 per cent respectively.
- There were significant increases under State Goods and Service Tax (19.33 per cent), Taxes on Sales, Trade, etc. (11.91 per cent), Taxes on

Vehicles (23.38 *per cent*) and Stamps and Registration Fees (22.75 *per cent*).

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 2021-22 in accordance with the base year figure was ₹ 65,380.24 crore (₹ 29,786.36 crore x 1.14 x 1.14 x 1.14 x 1.14 x 1.14 x 1.14). Revenue figures under GST for the year 2021-22 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 and interest 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 2021-22 is given in **Table 2.6**.

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

(₹ in crore)

Period	Projected revenue*	Total tax collected	Compensation	Total including compensation
April 2021 to March 2022	65,380.24	45,276.49	7,235.80	52,512.29

* 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 ₹ 65,380.24 crore for 2021-22, the receipt was ₹ 52,512.29 crore under the new tax regime. The State also received back-to-back loan of ₹ 8,095.25 crore from GoI, under debt receipts.

The State received total compensation of ₹ 15,331.05 crore on account of loss of revenue arising out of the implementation of GST during 2021-22. Out of this, ₹ 7,235.80 crore was received by the State as grants under revenue receipts.

However, due to inadequate balance in GST compensation fund during the year 2021-22, the State also received back-to-back loan of ₹ 8,095.25 crore under debt receipts of the State Government with repayment obligations from the cess collected in GST compensation Fund and not from any other resources of the State. Due to this arrangement, the revenue deficit of ₹ 46,538 crore and the fiscal deficit of ₹ 81,835 crore during the year 2021-22 may be read in conjunction with debt receipt of ₹ 8,095.25 crore in lieu of GST compensation.

Further, few components of receipts under CST, VAT & Sales Tax, Entertainment Tax, Betting Tax, Entry Tax, Cess & Surcharge (on Sugarcane), Excise Duty on Medicinal Toilet preparation, etc., which are not subsumed into GST would be aggregated to the GST receipts above for the calculation of compensation to be paid.

Non-tax revenue

Non-tax revenue consists of interest receipts, dividend and profits, mining and other departmental receipts etc. Details are given in **Table 2.7** below:

Table 2.7: Components of State's non-tax revenue

(₹ in crore)

Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22	Sparkline
Interest receipts	5,199	6,875	4,356	3,524	3,918	
Dividends and Profits	159	156	192	205	272	
Other non-tax receipts	5,406	7,169	8,340	6,693	7,927	
a) Major and Medium Irrigation	31	45	48	60	66	
b) Roads and Bridges	125	143	83	181	118	
c) Urban Development	514	1,016	781	829	743	
d) Education	1,153	1,592	1,793	1,650	1,065	
e) Non-Ferrous Mining	1,146	1,057	1,150	765	1,005	
f) Others	2,437	3,316	4,485	3,208	4,930	
Total	10,764	14,200	12,888	10,422	12,117	
Percentage of non-tax revenue to State's own resources	10.30	11.86	10.71	8.94	8.98	

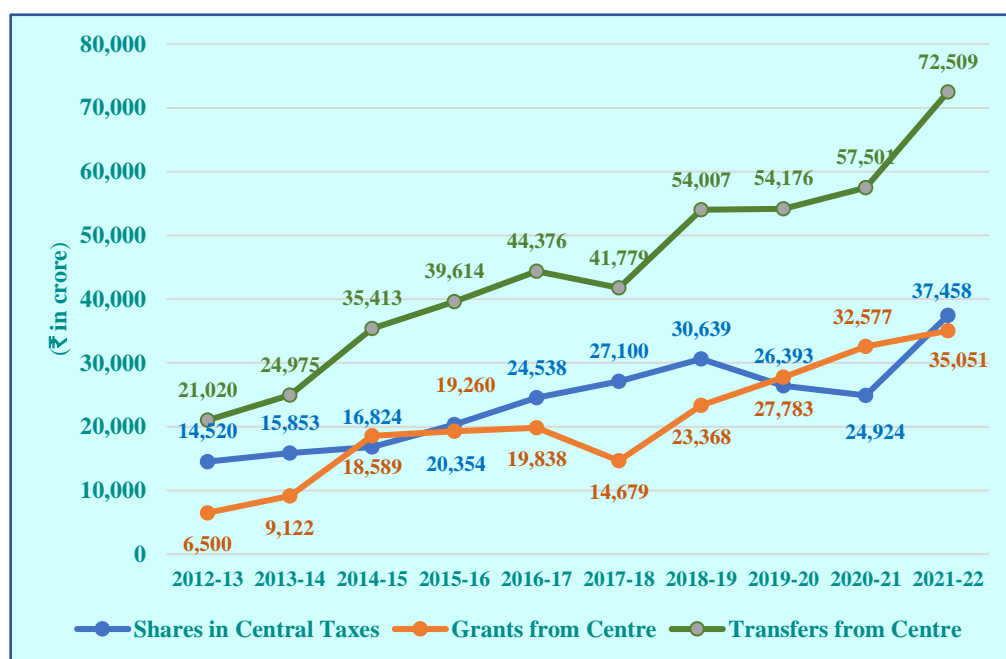
(Source: Finance Accounts for the respective years)

- The non-tax revenue of the State increased by ₹ 1,695 crore (16.26 per cent) in 2021-22 over the previous year. As a proportion of the State's own resources, the non-tax revenue which stood at 8.94 per cent in 2020-21 marginally increased to 8.98 per cent in 2021-22.

2.3.2.3 Transfers from the Centre

The trend of transfers from Centre for a period of 10 years (2012-2022) is given in **Chart 2.5** below:

Chart 2.5: Trends in transfers from Centre



(Source: Finance Accounts for the respective years)

The Central tax transfers increased considerably by ₹ 12,534 crore (37.35 per cent) during the current year. This included an amount of ₹ 3,224.59 crore received during the year related to short devolved share in Central Taxes for the period from 1996-97 to 2017-18.

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 2.8 to 2.10**.

Table 2.8: State's share in Union taxes and duties - Actual devolution vis-à-vis FC projections
(₹ in crore)

Year	Finance Commission Projections	Projections in FCR*	Actual tax devolution	Difference
1	2	3	4	5 (4-3)
2010-11	4.969 per cent of net proceeds of all shareable taxes excluding service tax and 5.047 per cent of net proceeds of shareable service tax (As per recommendations of TFC)	10,132	10,914	782
2011-12		11,884	12,715	831
2012-13		14,017	14,520	503
2013-14		16,534	15,853	(-) 681
2014-15		19,503	16,824	(-) 2,679
2010-15		72,070	70,826	(-) 1,244

Year	Finance Commission Projections	Projections in FCR*	Actual tax devolution	Difference
2015-16	4.023 per cent of net proceeds of all shareable taxes excluding service tax and 4.104 per cent of net proceeds of shareable service tax (As per recommendations of XIV FC) and 4.189 per cent of net proceeds of all shareable taxes (As per recommendations of XV FC)	23,389	20,354	(-) 3,035
2016-17		26,992	24,538	(-) 2,454
2017-18		31,189	27,100	(-) 4,089
2018-19		36,084	30,639	(-) 5,445
2019-20		41,796	26,393	(-) 15,403
2020-21		39,848	24,925	(-) 10,898
2015-21		1,99,298	1,53,949	(-) 45,349
2021-22	4.079 per cent of net proceeds of all shareable taxes	26,864	37,458*	10,594

* Finance Commission Recommendations

Actual tax devolution of Central Taxes – 2021-22 which includes release of short devolved share in Central Taxes of ₹3,224.59 crore for the period from 1996-97 to 2017-18

(Source: Details furnished by the Finance Department)

Share of union taxes and duties

Table 2.9: Components of Central Tax Transfers

(₹ in crore)

Head	2017-18	2018-19	2019-20	2020-21	2021-22
Central Goods and Services Tax (CGST)	382.92	7,561.77	7,489.35	7,406.64	10,308.10
Integrated Goods and Services Tax (IGST)	2,735.56	603.50	--	--	--
Corporation Tax	8,298.06	10,654.53	8,998.76	7,520.26	10,912.73
Taxes on Income other than Corporation Tax	7,007.12	7,846.62	7,051.14	7,709.82	10,911.33
Customs	2,734.70	2,171.71	1,672.92	1,324.08	2,920.27
Union Excise Duties	2,858.60	1,443.22	1,163.13	837.75	1,753.77
Service Tax	3,082.99	282.27	0.00	108.04	609.98
Other Taxes *	(-) 0.25	75.15	17.11	17.92	42.44
Total Central Tax transfers	27,099.70	30,638.77	26,392.41	24,924.51	37,458.62
Percentage of increase over previous year	10.44	13.06	(-) 13.86	(-) 5.56	50.29
Revenue Receipts	1,46,280	1,73,741	1,74,526	1,74,076	2,07,492
Percentage of Central tax transfers to Revenue Receipts	18.53	17.63	15.12	14.32	18.05

* 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 greater than the projections made by the Fifteenth Finance Commission (XV FC) during 2021-2022 by ₹ 10,595 crore mainly due to the release of short devolved share in Central Taxes of ₹ 3,224.59 crore for the period from 1996-97 to 2017-18.
- The growth rate of State's share of net proceeds (Central tax transfers) increased considerably by 50.29 per cent in 2021-22, which resulted in

a considerable increase of revenue receipts and thereby impacting the fiscal indicators positively.

- There was an increase in growth rate of all the components thereby contributing considerably to the increase of revenue receipts by 19.20 per cent during the year.

Grants-in-aid from Government of India

Table 2.10: Grants-in-aid from GoI

(₹ in crore)

Head	2017-18	2018-19	2019-20	2020-21	2021-22
Non-Plan Grants*	--	--	--	--	--
Grants for State Plan Schemes*	--	--	(-) 71.80	--	--
Grants for Central Plan Schemes*	--	(-) 0.01	--	--	--
Grants for Centrally Sponsored Schemes*	--	(-) 1.23	(-) 0.10	--	--
Grants for Special Plan Schemes	--	--	--	--	--
Grants for Centrally Sponsored Schemes (CSS)	10,982.97	14,820.26	12,463.85	12,483.68	17,250.57
Finance Commission Grants	1,951.04	3,705.46	5,905.69	8,643.46	9,550.41
Other transfers/Grants to States/Union Territories with Legislature	1,745.43	4,843.73	9,485.73	11,449.84	8,250.00 ^s
Total	14,679.44	23,368.21	27,783.37	32,576.98	35,050.98
Percentage of increase over the previous year	(-) 26.00	59.19	18.89	17.25	7.59
Percentage of GIA to Revenue Receipts	10.04	13.45	15.92	18.71	16.89

* 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 ₹ 7,236 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 ₹ 2,474 crore (7.59 per cent) over the previous year.
- Percentage of grants-in-aid to revenue receipts, which was 18.71 in 2020-21, decreased to 16.89 in 2021-22 mainly due to the decrease under 'Post Devolution Revenue Deficit Grant' by ₹ 1,015 crore during the year.

Fourteenth/Fifteenth Finance Commission Grants

Transfers from GoI to the State during 2021-22 on the recommendations of XV FC are given in **Table 2.11**

Table 2.11: Recommended amount, actual release and transfers of Grant-in-aid

(₹ in crore)

Transfers	Recommendation of the XV FC 2021-22	Actual Release	Short fall
		2021-22	2021-22
(i) Grants to PRIs	2,666.00	2,666.00	Nil
(ii) Grants to ULBs	1313.00	1313.00	Nil
Total for Local Bodies	3,979.00	3,979.00	Nil
State Disaster Response Fund	1,360.00	1,360.00*	Nil
Grand Total	5,339.00	5,339.00	Nil

(Source: Details as furnished by the State Finance Department) * ₹ 272 crore released during 2022-23

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.

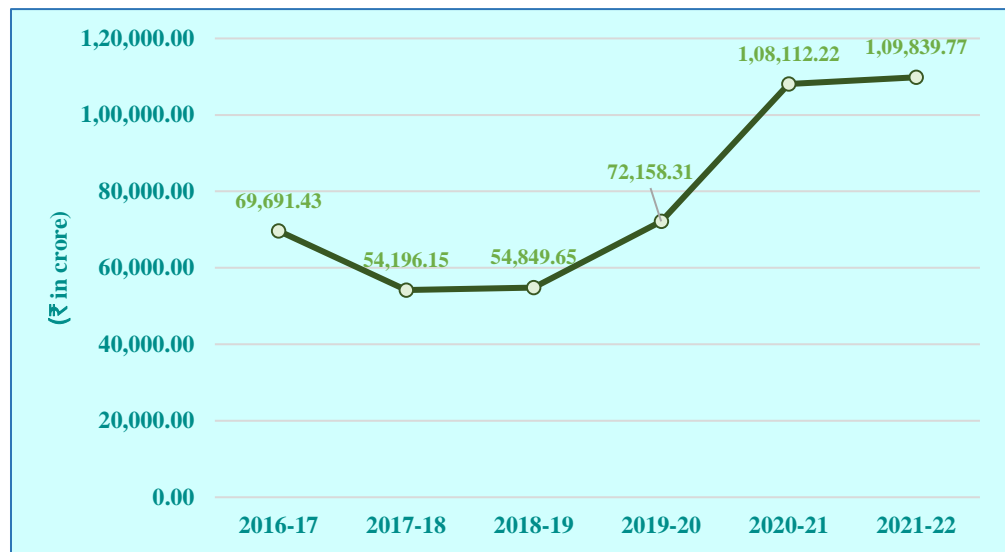
Table 2.12: Trends in growth and composition of capital receipts

Sources of State's Receipts	2017-18	2018-19	2019-20	2020-21	2021-22
Capital Receipts (₹ in crore)	54,196.15	54,849.65	72,158.31	1,08,112.22	1,09,839.77
Miscellaneous Capital Receipts	2.24	--	--	--	0.01
Recovery of Loans and Advances	8,472.35	6,913.43	5,384.01	5,245.25	5,354.77
Public Debt Receipts (₹ in crore)	45,721.56	47,936.22	66,774.30	1,02,866.97	1,04,484.99
Internal Debt (₹ in crore)	42,968.86	45,596.47	64,784.61	91,997.03	90,842.61
Rate of growth of internal debt (per cent)	(-) 33.16	6.12	42.08	42.00	(-) 1.25
Loans and Advances from GoI (₹ in crore)	2,752.70	2,339.75	1,989.69	10,869.94	13,642.38*
Rate of growth of Loans and Advances (per cent)	48.02	(-) 15.00	(-) 14.96	446.31	25.51
Rate of growth of debt Capital Receipts (per cent)	(-) 30.87	4.84	39.30	54.05	1.57
Rate of growth of non-debt Capital Receipts (per cent)	138.80	(-) 18.42	(-) 22.12	(-) 2.58	2.09
Rate of growth of GSDP (per cent)	12.47	11.27	6.93	3.73	14.22
Rate of growth of Capital Receipts (per cent)	(-) 22.23	1.21	31.56	49.83	1.60

(Source: Finance Accounts for the respective years)

* Effective Loans and Advances from GoI would be ₹ 5,547.13 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 8,095.25 crore given to State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

Chart 2.6: Growth of capital receipts



(Source: Finance Accounts for the respective years)

- The recoveries of loans and advances during 2021-22 included the conversion of TANGEDCO's loan of ₹ 4,563 crore as grants-in-aid under UDAY scheme.
- Public Debt receipts increased from ₹ 1,02,867 crore during 2020-21 to ₹ 1,04,485 crore³ in 2021-22. Market loans under internal debt decreased by ₹ 977 crore.

2.3.4 State's performance in mobilization of resources

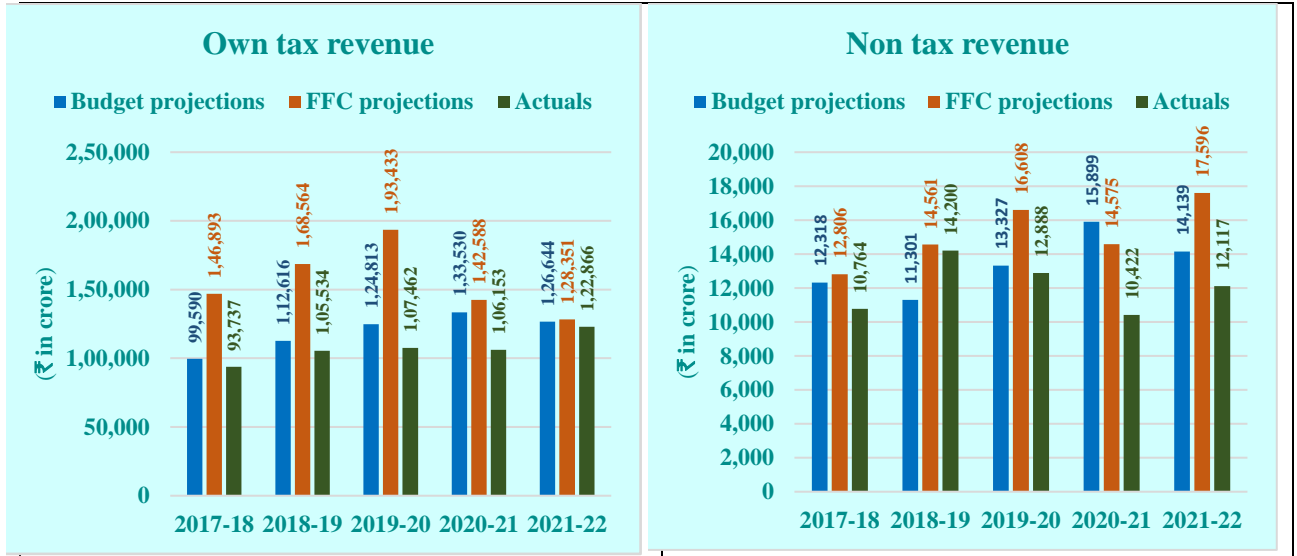
State's performance in mobilization of resources is assessed in terms of its own resources comprising own-tax and non-tax sources.

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

The State's own tax and non-tax revenue receipts for the period 2017-22 *vis-à-vis* assessment made by Finance Commission and Budget are given in **Chart 2.7**.

³ Effective Public Debt receipts would be ₹ 96,389.74 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 8,095.25 crore given to the State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission

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



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

State's own tax revenue receipts and non-tax revenue receipts during 2021-22 fell short of the target fixed under XV FC and Budget.

2.4 Application of resources

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

2.4.1 Growth and composition of expenditure

The details of total expenditure, its composition, relative share of various sectors, trends, etc. are given below in **Tables 2.13, 2.14** and **Charts 2.8 to 2.10**

Table 2.13: Total expenditure and its composition

(₹ in crore)					
Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Total Expenditure (TE)	1,94,593.86	2,27,989.47	2,40,088.56	2,73,304.66	2,94,681.72
Revenue Expenditure (RE)	1,67,873.63	1,97,200.60	2,10,434.73	2,36,402.18	2,54,030.42
Capital Expenditure	20,203.20	24,310.84	25,631.58	33,067.65	37,010.78
Loans & Advances	6,517.03	6,478.03	4,022.25	3,834.83	3,640.52
As a percentage of GSDP					
TE/GSDP	13.28	13.99	13.77	15.11	14.27
RE/GSDP	11.46	12.10	12.07	13.07	12.30
Capital outlay/GSDP	1.38	1.49	1.47	1.83	1.79
Loans and Advances/GSDP	0.44	0.40	0.23	0.21	0.18

(Source: Finance Accounts for the respective years)

Table 2.14: Relative share of various sectors of expenditure*(in per cent)*

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
General Services *	31.50	32.15	32.99	29.25	29.07
Social Services *	33.16	33.86	33.26	36.82	35.20
Economic Services *	26.10	24.62	25.54	26.75	27.88
Others (Grants to Local Bodies and Loans and Advances)	9.24	9.37	8.21	7.18	7.85

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

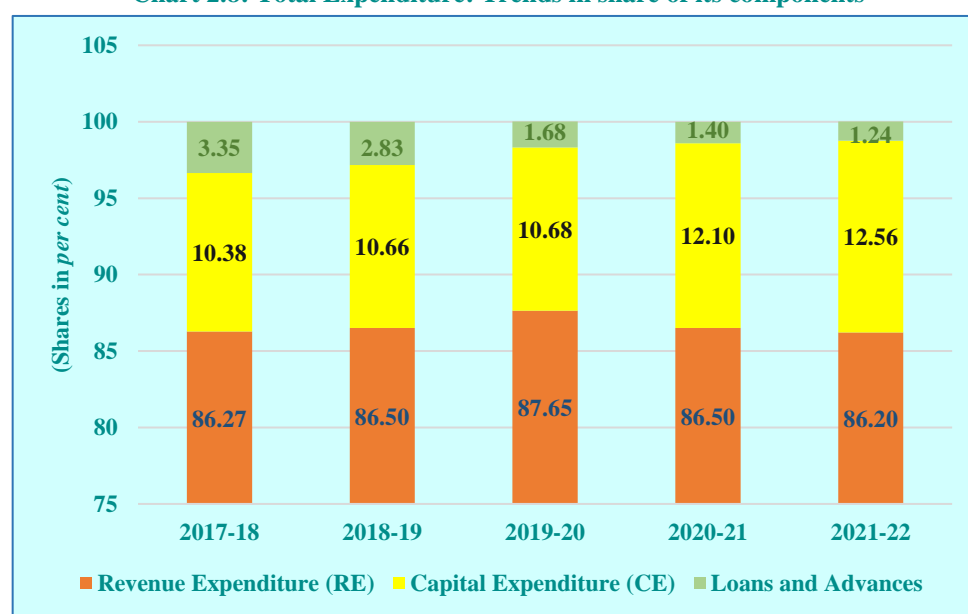
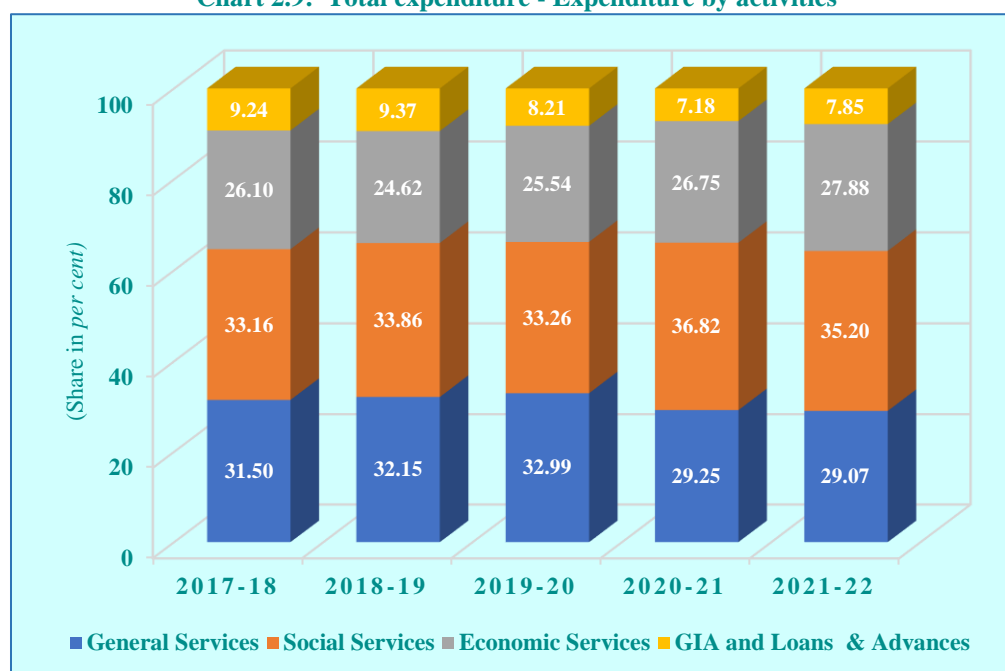
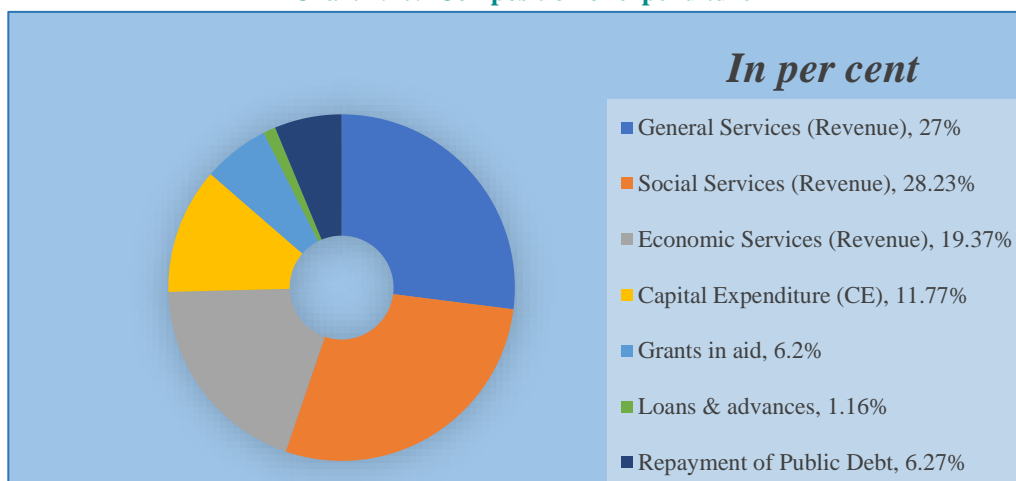
Chart 2.8: Total Expenditure: Trends in share of its components*(Source: Finance Accounts for the respective years)***Chart 2.9: Total expenditure - Expenditure by activities***(Source: Finance Accounts for the respective years)*

Chart 2.10: Composition of expenditure



(Source: Finance Accounts)

- Of the total expenditure of ₹ 2,94,682 crore during 2021-22, Revenue Expenditure (₹ 2,54,030 crore), Capital Expenditure (₹ 37,011 crore) and Loans and Advances (₹ 3,641 crore) accounted for 86.20 per cent, 12.56 per cent and 1.24 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 86.62 per cent (ranging from 86.27 per cent in 2017-18 to 86.20 per cent in 2021-22) of the total expenditure during the period 2017-22. Rate of growth of Revenue Expenditure has displayed wide fluctuation during the five-year period 2017-22 between 6.71 per cent and 17.47 per cent, while in 2021-22 it being 7.46 per cent. 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 2.15** and the sectoral distribution of Revenue Expenditure pertaining to 2021-22 is given in **Chart 2.11**.

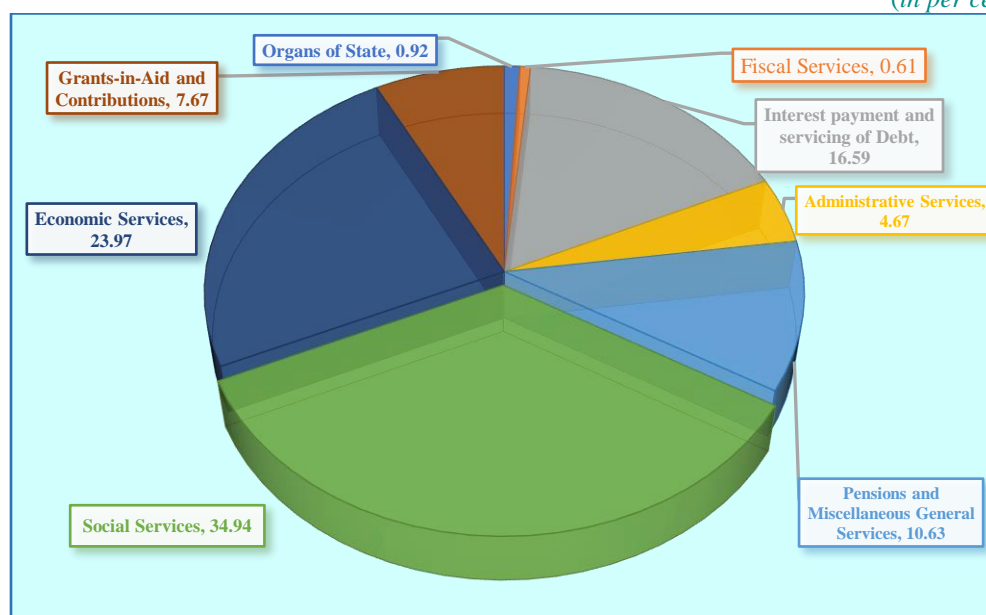
Table 2.15: Revenue Expenditure – Basic Parameters

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Total Expenditure (TE) (₹ in crore)	1,94,593.86	2,27,989.47	2,40,088.56	2,73,304.66	2,94,681.72
Revenue Expenditure (RE) (₹ in crore)	1,67,874.00	1,97,200.60	2,10,434.73	2,36,402.18	2,54,030.42
Rate of Growth of RE (per cent)	9.58	17.47	6.71	12.34	7.46
Revenue Expenditure as percentage of TE	86.27	86.50	87.65	86.50	86.20
RE/GSDP (per cent)	11.46	12.10	12.07	13.07	12.30
RE as percentage of RR	114.76	113.50	120.58	135.80	122.43
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	0.77	1.55	0.97	3.31	0.52
Revenue Receipts (ratio)	2.22	0.93	14.91	(-) 47.46	0.39

(Source: Finance Accounts for the respective years)

Chart 2.11: Sector-wise distribution of revenue expenditure

(in per cent)



(Source: Finance Accounts)

- During 2021-22, the Revenue Expenditure witnessed an increase of ₹ 17,628.24 crore (7.46 per cent) during the year as against an increase of 12.34 per cent during the previous year. This was mainly due to increase of ₹ 5,368.55 crore and ₹ 5,067.18 crore towards Co-operation (Major Head 2425) and Interest Payments (Major Head 2049) during the year. As a percentage of GSDP the Revenue Expenditure decreased from 13.07 per cent in 2020-21 to 12.30 per cent during the current year.
- The actual Revenue Expenditure was short of the assessment made in MTFP by ₹ 13,919 crore (5.19 per cent). The component-wise breakup is given in the subsequent paragraphs.

2.4.2.1 Major changes in Revenue Expenditure

Table 2.16 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 2.16: Variation in Revenue Expenditure during 2021-22 compared to 2020-21

(₹ in crore)

Major Head	Description	2021-22	2020-21	Increase / Decrease (-)
2425	Co-operation	7,321.13	1,952.58	5,368.55
2049	Interest Payments	41,564.10	36,496.92	5,067.18
3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	19,489.46	15,795.85	3,693.61
2505	Rural Employment	4,916.01	2,244.26	2,671.75
2235	Social Security and Welfare	10,634.84	9,100.82	1,534.02
2210	Medical and Public Health	12,609.73	11,184.85	1,424.88
2401	Crop Husbandry	10,092.71	9,152.47	940.24

Major Head	Description	2021-22	2020-21	Increase / Decrease (-)
3055	Road Transport	1,046.82	298.17	748.65
2055	Police	8,043.55	7,456.51	587.04
2015	Elections	865.77	358.50	507.27
2515	Other Rural Development programmes	1,423.39	916.54	506.85
2071	Pensions and other Retirement Benefits	26,249.95	27,115.07	(-) 865.12
2216	Housing	4,119.47	5,244.71	(-) 1,125.24
2225	Welfare of Scheduled Castes Scheduled Tribes Other Backward Classes and Minorities	2,997.13	4,231.33	(-) 1,234.20
2801	Power	15,140.10	16,475.11	(-) 1,335.01
2245	Relief on account of Natural Calamities	9,704.44	12,021.70	(-) 2,317.26

(Source: Finance Accounts)

- Revenue Expenditure on Relief on account of Natural Calamities was mainly due to the COVID-19 pandemic. During the year, GoTN received ₹ 505.24 crore from the Central Government towards relief measures relating to COVID-19 pandemic and incurred an expenditure of ₹ 9,584.11 crore under Major Heads 2071, 2075, 2210, 2211, 2235 and 2245, which included an expenditure of ₹ 9,223.33 crore spent under Heads of Account '2245-80-800-AJ' – Livelihood support to tackle COVID-19 lockdown – cash support to Rice family cardholders (₹ 8,392.76 crore) and '2245-80-800-AH' – Disaster preparedness / preventive measures to contain the outbreak of Covid-19 (₹ 830.57 crore) respectively (**Appendix 2.2**)
- Interest payments increased by 14 *per cent* due to increased payment towards internal debt. While during 2020-21, the internal debt repayment had reduced by 10 *per cent*, it substantially increased by 24 *per cent* in 2021-22.

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 2.17: Components of Committed Expenditure

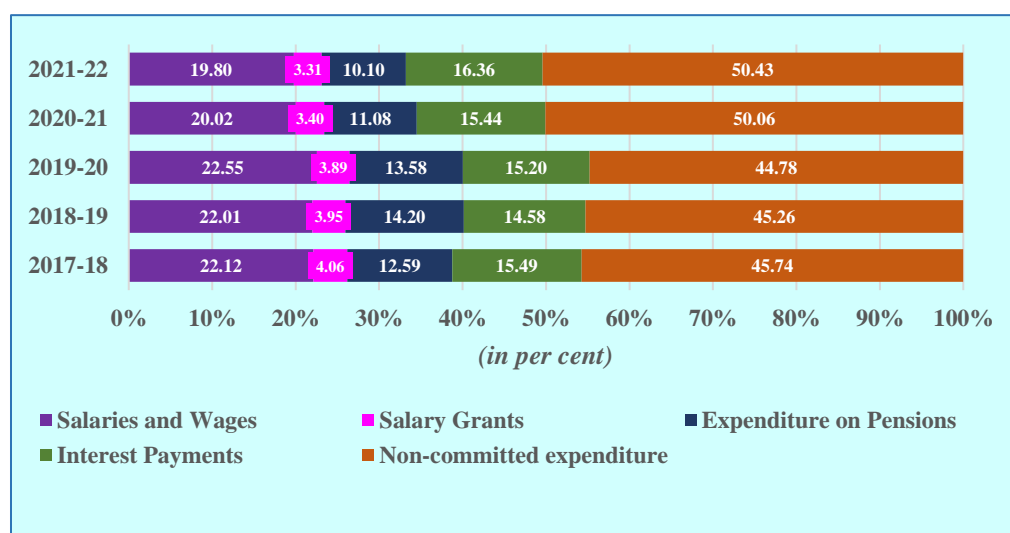
(₹ in crore)

Components of Committed Expenditure	2017-18	2018-19	2019-20	2020-21	2021-22
Salaries & Wages	37,140	43,394	47,447	47,333	50,293
Salary grants	6,819	7,792	8,190	8,027	8,416
Expenditure on Pensions	21,132	27,993	28,577	26,204	25,662
Interest Payments	26,012	28,757	31,980	36,497	41,564
Total	91,103	1,07,936	1,16,194	1,18,061	1,25,935

Components of Committed Expenditure	2017-18	2018-19	2019-20	2020-21	2021-22
As a percentage of Revenue Receipts (RR)					
Salaries & Wages	25.39	24.98	27.19	27.19	24.24
Salary grants	4.66	4.48	4.69	4.61	4.06
Expenditure on Pensions	14.45	16.11	16.37	15.05	12.37
Interest Payments	17.78	16.55	18.32	20.97	20.03
Total	62.28	62.12	66.57	67.82	60.70
As a percentage of Revenue Expenditure (RE)					
Salaries & Wages	22.12	22.01	22.55	20.02	19.80
Salary grants	4.06	3.95	3.89	3.40	3.31
Expenditure on Pensions	12.59	14.20	13.58	11.08	10.10
Interest Payments	15.49	14.58	15.20	15.44	16.36
Total	54.26	54.74	55.22	49.94	49.57

(Source: Finance Accounts for the respective years)

Chart 2.12: Share of Committed expenditure in total Revenue Expenditure



(Source: Finance Accounts for the respective years)

- Though the expenditure on pensions decreased marginally by ₹ 542 crore due to the enhancement of the age of retirement to 60 years⁴, the committed expenditure (₹ 1,25,935 crore) increased by ₹ 7,874 crore mainly due to the increase in interest payments by ₹ 5,067 crore.
- The expenditure on interest payments stood at 20.03 *per cent* of the total revenue receipts (₹ 2,07,492 crore) of the State during 2021-22, as against 20.97 *per cent* during 2020-21. As a percentage of revenue expenditure, interest payments increased from 15.44 *per cent* in 2020-21 to 16.36 *per cent* during the current year.

⁴

Vide G.O. Ms. No. 29 dated 25 February 2021

2.4.2.3 Avoidable Expenditure under National Pension System

The Government of Tamil Nadu did not join National Pension system and designate any Fund Manager and had continued to invest the DCPS contributions in LIC and T-Bills, the return on which are 5.47 and 4.29 per cent respectively. The State Government pays interest to the subscribers at the GPF rate which is 7.10 per cent and since the rate of return from LIC and T-Bills are less, the differential amount is being borne by the State Government. During 2021-22, the Government has paid ₹ 670.36 crore being the differential amount, which is absolutely avoidable and poses a burden on the State's Revenue Resources. Had the Government joined NPS and designated fund managers, the subscribers would have been benefitted with more returns, at least higher than 7.10 per cent.

GoTN launched Defined Contributory Pension Scheme (DCPS) for its employees from 1 April 2003. The scheme was 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 employer's and employee's contribution are initially transferred to the Public Account (Major Head '8342-117- Defined Contributory Pension Scheme').

DCPS accounts of individual Government employees⁵ 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 expenditure on Pension and other Retirement benefits during the year in respect of State Government employees recruited on or before 31 March 2003 was ₹ 26,249.95 crore which is 10.33 per cent of total Revenue Expenditure of ₹ 2,54,030.42 crore.

On creation of National Pension System (NPS) architecture, Pension Fund Regulatory and Development Authority (PFRDA) requested (2008 and 2009) GoTN to join NPS. GoTN declined (2010) to join NPS architecture and initially cited non-enactment of PFRDA Act by parliament, to justify its decision to continue with the existing system of retaining pension fund money in Public Account of the State.

The State Government even after a lapse of 19 years since inception of the DCPS, did not join NPS and designate the fund manager. Instead, out of total amount of ₹ 53,462.93 crore in the Fund as on 31 March 2022, an amount of ₹ 36,510.00 crore was invested under "New Group Superannuation Scheme with Cash Accumulation Plan" with Life Insurance Corporation of India. It was further observed that there was no agreement / MOU between GoTN and LIC and therefore, the interest earned on investments in LIC are based on the LIC's own policies (5.47 per cent) and are much less than the interest paid to the

⁵ Including employees of Local Bodies and aided educational institutions.

accounts holders by the Government which is 7.10 *per cent* i.e. the GPF interest rate. Out of the balance amount of ₹ 16,952.93 crore, an amount of ₹ 11,803.19 crore stands invested in Treasury Bills as of 31 March 2022.

The interest on investment in LIC amounting to ₹ 4,754.63 crore (₹ 1,128.65 crore during 2019-20, ₹ 1,630.48 crore during 2020-21 and ₹ 1,995.50 crore during 2021-22) has been reinvested in LIC though the related book adjustments have not been incorporated into the accounts by the State Government. Thus, the interest which has to be credited in the Government account under the Major Head 0049 was not credited, thereby resulting in understatement of Revenue Receipts to that extent.

During the year 2021-22, the employees' and the Government's contributions towards DCPS were ₹ 2,916.26 crore and ₹ 2,870.08 crore respectively. An amount of ₹ 3,172.71 crore was credited to the DCPS Fund as interest by allocating provision under MH 2049 – Interest payments, by the State Government during the year. The interest on DCPS had increased from ₹ 1,714.87 crore in 2017-18 to ₹ 3,172.71 crore in 2021-22.

During the year 2021-22, the Government earned an interest/average yield of 5.47 *per cent* (₹ 1,995.50 crore) and 4.29 *per cent* (₹ 506.85 crore) on investment of DCPS fund in LIC and in T-Bills respectively. However, the interest paid to individual account holders during the period was 7.10 *per cent* (₹ 3,172.71 crore), the rates being at par with the interest paid to GPF subscribers.

Further, it has also been observed that over a period of five years, the interest burden had increased by 85 *per cent* and as compared to previous year, it increased by 16 *per cent*. CAG's Report No. 13 of 2020 (Union Government) has a mention on the average rate of return from investment with the designated fund managers, which was between 9.50 *per cent* and 9.91 *per cent* for employees of both State and Central Government. In Tamil Nadu, the State Government is only earning interest at the rate of 5.47 *per cent* from LIC and 4.29 *per cent* from Treasury Bills and in order to pay the interest rate at 7.10 *per cent* to the subscribers, the additional average interest burden of 2.22 *per cent* is being borne by the State Government from its own resources, which is an avoidable extra expenditure on the part of the Government. This has, thus, resulted in an avoidable additional burden to the Government to the tune of ₹ 670.36 crore⁶. During the last year, the avoidable interest payment liability was ₹ 726.25 crore. Had the State Government joined NPS, the avoidable excess burden could have been averted and the subscribers would have also received interest on the total contribution at much higher rates, at least higher than the GPF rate of 7.10 *per cent* as is being now paid by the State Government.

Thus, an imprudent decision of GoTN in not joining NPS and designating a fund manager in accordance with the PFRD Act, had led to incurring avoidable extra

⁶ ₹ 3,172.71 crore - ₹ 1,995.50 crore - ₹ 506.85 crore = ₹ 670.36 crore

expenditure since inception of NPS and this avoidable excess financial burden has been mounting up year after year, thus, impacting the State's Revenue Expenditure and the fiscal prudence to that extent is severely compromised with by the State Government.

On being pointed out by Audit, ACS stated that an Expert Committee was constituted by GoTN to examine the feasibility of implementing the demand of continuing the old pension scheme and to make recommendation on the possible option to Government for appropriate decisions. The Committee had submitted its report to Government on 27 November 2018, which was under examination. Besides, in the Exit Conference, ACS stated that Government has not yet taken a policy decision on investing the funds through fund manager under PFRDA.

Similar observation was also featured in CAG's Report No.1 of 2022, Government of Tamil Nadu, where the avoidable interest payment was ₹ 726.25 crore. The Government has not yet taken any corrective measures.

2.4.2.4 Subsidies

Subsidies are dispensed not only explicitly and booked under the object head 'subsidies', but also implicitly⁷ by providing subsidised public service to the people. The subsidies extended during the period 2017-22, as a *per cent* of Revenue Receipts and Revenue Expenditure are detailed in the **Table 2.18** below:

Table 2.18: Expenditure on subsidies during 2017-22

	2017-18	2018-19	2019-20	2020-21	2021-22
Subsidies (₹ in crore)	15,230	18,922	20,144	25,110	21,689
Subsidies as a percentage of Revenue Receipts	10.41	10.89	11.54	14.42	10.45
Subsidies as a percentage of Revenue Expenditure	9.07	9.60	9.57	10.62	8.54

(Source: Finance Accounts for the respective years)

A list of schemes for which the State Government provided subsidy during 2017-22 are given in **Table 2.19** and **Table 2.20**.

Table 2.19: List of schemes for which subsidy was given by the State Government

(₹ in crore)

Name of the scheme	2017-18	2018-19	2019-20	2020-21	2021-22
Public Distribution System Support	6,000	7,989	8,363	9,604	9,324
Compensation to Tamil Nadu Electricity Board (TNEB) due to reduction in tariff to domestic consumers	3,623	3,076	3,367	3,518	3,448
Value Added Tax Refund Subsidy for promotion of Industries	1,600	2,000	2,560	1,290	1,559
Reimbursement of social cost on student concessions in bus fares	541	764	1,275	3,430	1,289
Free distribution of handloom clothes to the people below poverty line	484	468	484	479	488

⁷ Subsidies which were not booked under the object head "11-Subsidies" under the relevant major head of account are "Implicit Subsidies".

Name of the scheme	2017-18	2018-19	2019-20	2020-21	2021-22
Payment to TNEB on behalf of Powerloom weavers	387	343	336	384	371
Subsidy to farmers for Agricultural inputs	81	1	183	1	--
Other subsidies schemes	2,514	4,281	3,576	6,404	5,210
Total	15,230	18,922	20,144	25,110	21,689

(Source: Finance Accounts for the respective years)

Table 2.20: Major implicit subsidies given during 2017-22

Name of the scheme	Expenditure incurred (₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Free supply of grinders, mixies, fans, etc.	--	--	--	23	--
Marriage Assistance Scheme - Distribution of four gram gold coins for Thirumangalyam	718	739	709	832	--
Free supply of uniforms to school children	390	384	411	409	408
Free supply of bicycles to students studying in Standard XI and XII in Government/ Government aided Higher Secondary Schools	16	382	230	221	2
Free distribution of sheep/goat to the persons living below poverty line	194	193	193	192	--
Menstrual Hygiene Programme (Providing sanitary napkins free of cost to adolescent girls)	46	46	46	55	115
Free distribution of Milch cows to each family living below poverty line	48	47	47	51	--
Free distribution of laptops	641	144	1,372	17	482
Dr. Muthulakshmi Reddy Maternity Assistance Scheme	646	900	883	884	863
Chief Minister's Comprehensive Health Insurance Scheme	1,734	1,363	935	985	1,046
Livelihood Support to tackle COVID-19 lockdown - cash support to Rice family cardholders	--	--	--	7,903	8,393
Total	4,433	4,198	4,826	11,572	11,309

(Source: Detailed Appropriation Accounts of the respective years)

The total subsidies decreased (10.04 *per cent*) to ₹ 32,998 crore from ₹ 36,682 crore. Explicit subsidies decreased by 13.62 *per cent* (₹ 3,421 crore) during the year. The schemes under “other subsidies” (₹ 5,210 crore) include ₹ 910 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 etc., marginally decreased by ₹ 263 crore during 2021-22 over the previous year. This amount was wrongly classified as Grants-in-aid instead of subsidies.

2.4.2.5 Recoveries under ‘Minor Head – 911’

As per Paragraph 3.10 under General Directions of ‘List of Major and Minor Heads of Account of Union and States’ (LMMH) issued by the Controller General of Accounts (CGA), recoveries of overpayments pertaining to previous year(s) shall be recorded under distinct minor head ‘Deduct- Recoveries of Overpayments’ (code ‘911’) below the concerned major/sub-major head

‘without affecting the gross expenditure under the functional Major/Sub-Major Head in the Appropriation Accounts’.

During the year, an unspent amount of ₹ 814.68 crore, under 591 heads of account, relating to previous years was remitted into the Government account under the minor head “911 - Recoveries of overpayment”. This included ₹ 9.93 crore under 24 Schemes and ₹ 25.46 crore under 31 Schemes of Wholly Centrally Sponsored Schemes and Central Schemes Shared between Centre and States respectively. Out of 591 schemes, more than one crore remittances relating to previous years were made under 55 schemes (**Appendix 2.3**). This includes huge remittances under three major schemes viz., “Interest Subsidy to Co-operative Institutions towards reduced Interest for crop loans to the farmers” (₹ 187.81 crore), “Reimbursement of fee claimed as per the provision of section 12(1)(c) of Right of Children to Free and Compulsory Education Act, 2009” (₹ 104.88 crore) and Grants to Sports Development Authority of Tamil Nadu for conducting Sports Competitions (₹ 90.40 crore).

It is noticed that under the scheme “Interest Subsidy to Co-operative Institutions towards reduced interest for crop loans to the farmers”, even during 2020-21 an amount of ₹ 137.80 crore was remitted into the Government account under the minor head 911.

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

Further, unspent balances to the tune of ₹ 287.44 crore pertaining to previous years for which the original heads of account of expenditure could not be ascertained were booked under the head of account 0070-60-800 – ₹ 287.44 crore, which would have increased the remittances to ₹ 1,102.12 crore during the year and Revenue Receipts should have been decreased to that extent of ₹ 287.44 crore.

State Finance Commission

Article 243-I and 243-Y of the Constitution of India makes it mandatory to the State Government to constitute a Finance Commission within one year of the commencement of the 73rd & 74th constitutional amendment act and thereafter on expiry of every five years. The mandate of the State Finance Commission is to review the financial position of local bodies and submitted its report and recommendations to Hon’ble Governor of Tamil Nadu and Hon’ble Chief Minister. The State has constituted five SFCs and Action Taken Note on all SFCs have been placed in the Assembly. The details of constitution of the SFCs are as below:

Table 2.21: Details of constitution of SFCs

	First SFC	Second SFC	Third SFC	Fourth SFC	Fifth SFC
Date of constitution	23.4.1994	1.12.1999	1.12.2004	1.12.2009	1.12.2004
Period of recommendation	1997-98 to 2001-02	2002-03 to 2006-07	2007-08 to 2011-12	2012-13 to 2016-17	2017-18 to 2021-22

(Source: SFC report)

The report of the Fifth State Finance Commission together with the Explanatory Memorandum on the action taken on the recommendations of Fifth SFC was laid on the Table of the House. The number of recommendations made by SFCs and number of recommendations accepted/partially accepted/not accepted by Government are tabulated below:

Table 2.22: No. of recommendations accepted by Government

Description	Total number of recommendations made by Fifth SFC	Total no. of recommendations accepted by Government	Total no. of recommendations partially accepted by Government	Total no. of recommendations not accepted by Government
Status of implementation of Fourth SFC's recommendations	4	4	0	0
PRIs	51	49	2	0
ULBs	106	91	8	7

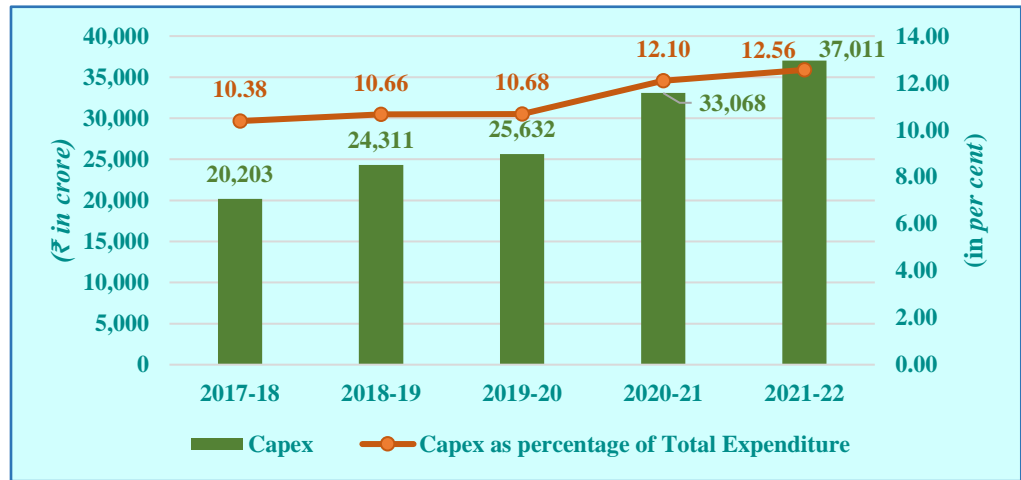
(Source: SFC Report)

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 ₹ 37,011 crore towards Capex, which increased by ₹ 3,943 crore (11.92 *per cent*) over the previous year. As a percentage of Total Expenditure, the increase was a meagre 0.46 *per cent* over the previous year. The trend in Capital expenditure during the period 2017-22 is shown in the **Chart 2.13** below.

Chart 2.13: Capital expenditure in the State



(Source: Finance Accounts for the respective years)

2.4.3.1 Major changes in Capital Expenditure

The major changes in Capital expenditure during 2021-22 compared to 2020-21 is given in **Table 2.23** below.

Table 2.23: Major changes in Capital Expenditure

(₹ in crore)

Major Head	Description	2021-22	2020-21	Increase (+) / Decrease (-)
4217	Capital Outlay on Urban Development	8,453.54	4,456.49	3,997.05
5053	Capital Outlay on Civil Aviation	1,344.21	426.55	917.66
5054	Capital Outlay on Roads and Bridges	13,385.53	12,748.23	637.30
4801	Capital Outlay on Power Projects	442.39	0.00	442.39
4515	Capital Outlay on other Rural Development Programmes	1,745.83	1,319.32	426.51
4215	Capital Outlay on Water Supply and Sanitation	3,008.07	2,624.83	383.24
4210	Capital outlay on medical and public health	2,300.78	2,293.87	6.91
4055	Capital Outlay on Police	7.29	253.33	(-) 246.04
5465	Investments in General Financial and Trading Institutions	400.00	837.00	(-) 437.00
4702	Capital Outlay on Minor Irrigation	113.14	728.22	(-) 615.08
4700	Capital Outlay on Major Irrigation	2,131.46	3,405.42	(-) 1,273.96

(Source: Finance Accounts for the respective years)

The increase under ‘4217 – Capital Outlay on Urban Development’ was mainly due to expenditure incurred under sub major heads ‘State Capital Development’ – ₹ 1,608 crore (increase of 217.03 *per cent*) and ‘Other Urban Development Schemes’ – ₹ 4,731 crore (increase of 120.17 *per cent*) respectively. The increase under ‘5053 – Capital Outlay on Civil Aviation’ was mainly towards ‘Aerodromes’ – ₹ 1,344 crore (increase of 215.13 *per cent*)

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 2021-22, the State Government as of March 2022 had invested ₹ 42,166.64 crore in one Statutory Corporation, 57 Government Companies, two Joint Stock Companies and various Co-operatives.

The details of investments made by the Government is given in **Table 2.24** below:

Table 2.24: Details of Investment made by the Government

Sl. No	Description	Number of entities	Investment at the end of the year (₹ in crore)
1	Tamil Nadu Warehousing Corporation	1	3.81
2	Government Companies	57	41,674.83
3	Joint Stock Companies	2	0.71
4	Co-operative Institutions	*	487.29
	Total	60*	42,166.64

* Number of Co-operative institutions not available
(Source: Finance Accounts)

The average rate of return on these investments was a meagre 0.45 *per cent* in the last five years (2017-18 to 2021-22) while the average rate of interest paid by the Government on its borrowings during the same period was 7.50 *per cent*.

The investments at the end of the year and the details of return on investment for the period 2017-22 is given in **Table 2.25**.

Table 2.25: Return on Investment

Investment/return/ cost of borrowings	2017-18	2018-19	2019-20	2020-21	2021-22
Investment at the end of the year (₹ in crore)	33,579	36,480	39,866	41,578	42,167
Borrowings at the end of the year (₹ in crore)	3,26,518	3,68,736	4,23,743	5,18,796	5,96,331*
Return (₹ in crore)	153	135	160	174	256
Return (per cent)	0.46	0.37	0.40	0.42	0.61
Average rate of interest on Government Borrowings (per cent)	8.53	8.27	8.07	7.74	7.50
Difference between interest rate and return (per cent)	8.07	7.90	7.67	7.32	6.84
Difference between interest on Government borrowings and return on investment (₹ in crore) #	2,709.83	2,881.92	3,057.72	3,043.51	2,884.22

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

* After excluding back to back loan of ₹ 6,241 crore in 2020-21 and ₹ 8,095 crore in 2021-22

(Source: Finance Accounts of the respective years)

During 2021-22, State Government invested ₹ 693.05 crore in State Transport Corporations (₹ 688.05 crore) and Tamil Nadu Salt Corporation (₹ 5 crore).

Investments made in loss making companies

Capital expenditure in the companies, corporations and other bodies, which are loss making or where net worth has 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.

The investment made in loss making PSUs are in the form of equity shares. While the investment was ₹ 712.54 crore during 2017-18, it has come down to ₹ 427.73 crore in 2021-22, although there was an increase in the investment by 6 per cent as compared to 2020-21. Cumulatively, as of March 2022, the Government invested ₹ 6,857.42 crore in 25 loss making Companies / Corporations, out of which ₹ 263.58 crore was invested in four loss making Companies during the current year, whose net worth had eroded as on 31 March 2022 as given in **Table 2.26 below:**

Table 2.26: Investments made in loss making companies, whose net worth eroded
(₹ in crore)

Sl. No	Company/ Corporation	Investment made during the year 2021-22	Cumulative investment as on 31 March 2022	Cumulative loss as on 31 March 2022 as reported by the entity	Net worth as on 31.03.2022
1	Metropolitan Transport Corporation (Chennai) Limited	0.82	893.72	(-) 6,481.23	(-) 5,588.33
2	Tamil Nadu State Transport Corporation (Tirunelveli) Limited	166.87	823.24	(-) 5,993.70	(-) 5,170.45
3	State Express Transport Corporation Tamil Nadu Limited	65.20	698.38	(-) 3,756.02	(-) 3,057.63
4.	Tamil Nadu State Transport Corporation (Salem) Limited	30.69	552.84	(-) 4,735.33	(-) 4,182.49
	Total	263.58	2968.18		

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

The Government had invested ₹ 25,375.93 crore in Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) whose net worth as on 31 March 2021 was (-) 93,209.77 crore.

The tripartite agreement between Tamil Nadu, TNEB and Central Government stated that if TANGEDCO failed to pay any amount due to purchasing company, the amount will be debited in the State Government accounts by RBI based on the instruction of Central Government. Scrutiny of Accounts revealed that during 2021-22, RBI did not debit any amount from the State Government towards payment of TANGEDCO suppliers. The liability as on 31 March 2022 towards power purchase was ₹ 8,251.34 crore.

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

In the Exit Conference, the ACS (Finance) assured to look into this aspect.

Difference in figures of Government and PSUs

There were differences in respect of 21 companies / Corporations as reflected in Section 2 - Statement 19 of Finance Accounts (**Appendix 2.4**). 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 State Transport Corporation (Coimbatore) Limited and (iii) Chennai Metro Rail Limited.

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

Quantum of loans disbursed and recovered during last 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 2022 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	2017-18	2018-19	2019-20	2020-21	2021-22
Opening balance of outstanding loans	43,749	41,794	41,359	39,997	38,587
Amount advanced during the year	6,517	6,478	4,022	3,835	3,640
Amount recovered during the year	8,472	6,913	5,384	5,245	5,355
Closing balance of outstanding loans	41,794	41,359	39,997	38,587	36,872
Net addition	(-) 1,955	(-) 435	(-) 1,362	(-) 1,410	(-) 1,715
Interest received	1,484	2,703	4	346	320
Interest receipts as a percentage of outstanding Loans and Advances given by the Government (<i>per cent</i>)	3.47	6.50	0.01	0.88	0.85
Average rate of Interest paid on the outstanding borrowings of the Government (<i>per cent</i>)	8.53	8.27	8.07	7.74	7.50
Difference between the rate of interest paid and interest received (<i>per cent</i>)	5.06	1.77	8.06	6.86	6.51

(Source: Finance Accounts for the respective years)

Capital expenditure met from Reserve Funds

Capital expenditure (₹ 37,011.78 crore) as reported in the Finance Accounts depicts the net figures after adjusting (deducting) the amount (₹ 5.01 crore) met from the reserve funds.

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. The outstanding loan has been totally adjusted after converting the interest free loan into grant during 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22.

The details of outstanding loan amount and converted as Grant under UDAY during the period 2016-17 to 2021-22 is shown in **Table 2.28**.

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
2020-21	9,126	4,563	4,563
2021-22	4,563	4,563	--

(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)

Fiscal Priority of the State	AE/ GSDP	CE/AE	Capital outlay on Education/ AE	Capital outlay on Health/ AE
General States (2021-22)	15.84	14.41	0.37	0.63
Tamil Nadu	14.26	13.80	0.17	0.85
Karnataka	12.76	19.92	0.58	0.98
Kerala	18.10	10.44	0.30	0.19

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

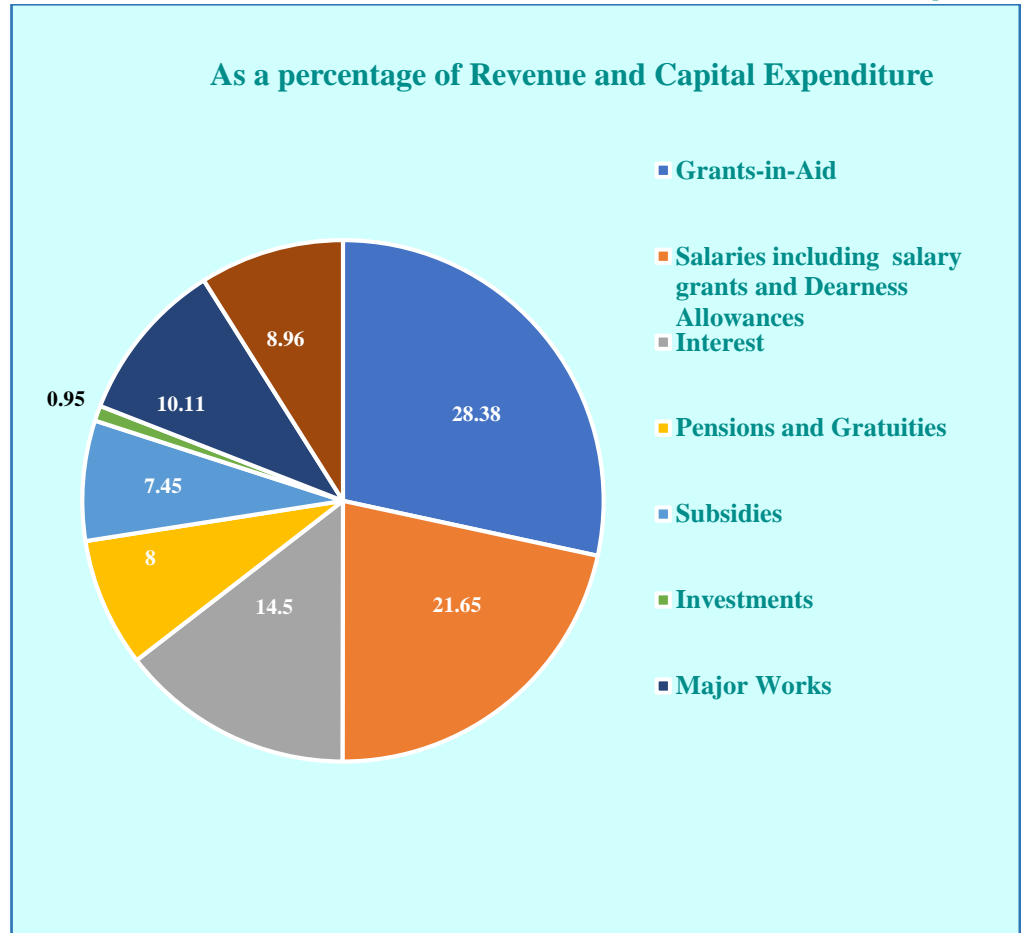
- The percentage of AE to GSDP was low as compared to Kerala but more than the state of Karnataka.
- The Capital outlay on Education as a percentage of AE during the year was lower than the states of Karnataka and Kerala.
- The Capital outlay on Health as a percentage of AE was higher than Kerala but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

2.4.5 Object head wise expenditure

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

Chart 2.14: Object head wise expenditure

(in per cent)



(Source: Finance Accounts)

- While 44.15 per cent of the total revenue and capital expenditure was incurred towards salaries & allowances, pensionary payments and interest commitments, investments made during the year was a meagre 0.95 per cent and the expenditure on major works stood at 10.11 per cent, indicating that nearly half of the expenditure was towards committed expenditure.

2.5 Public Account

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

2.5.1 Net Public Account Balances

The component-wise net balances in Public Account of the State is given in **Table 2.30** below.

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

(₹ in crore)

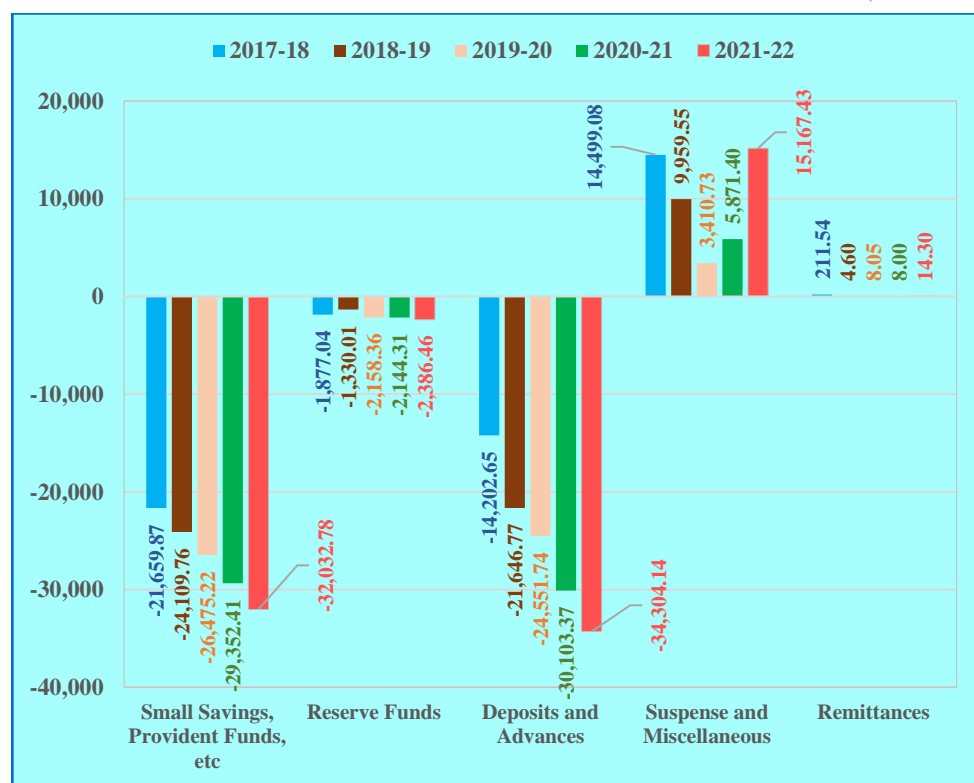
Sector	Sub-Sector	2017-18	2018-19	2019-20	2020-21	2021-22
I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	(-) 21,659.87	(-) 24,109.76	(-) 26,475.22	(-) 29,352.41	(-) 32,032.78
J. Reserve Funds	(a) Reserve Funds bearing Interest	--	--	(-) 113.42	(-) 113.42	(-) 113.42
	(b) Reserve Funds not bearing Interest	(-) 1,877.04	(-) 1,330.01	(-) 2,044.94	(-) 2,030.89	(-) 2,273.04
K. Deposits and Advances	(a) Deposits bearing Interest	(-) 4,128.42	(-) 8,008.32	(-) 9,323.98	(-) 8,014.50	(-) 7643.95
	(b) Deposits not bearing Interest	(-) 10,083.23	(-) 13,646.16	(-) 15,235.43	(-) 22,096.51	(-) 26,667.81
	(c) Advances	9.00	7.71	7.67	7.64	7.62
L. Suspense and Miscellaneous	(b) Suspense	(-) 121.00	(-) 141.69	(-) 283.10	29.01	57.60
	(c) Other Accounts	14,618.84	10,100.00	3,692.59	5,841.15	15,108.59
	(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	199.04	(-) 0.50	(-) 0.51	(-) 0.48	5.47
	(b) Inter-Governmental Adjustment Account	12.50	5.10	8.56	8.48	8.83
Total		(-) 23,028.94	(-) 37,122.39	(-) 49,766.54	(-) 55,720.69	(-) 53,541.65

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

(Source: Finance Accounts for the respective years)

Chart 2.15: Yearly changes in composition of Public Account balances

(₹ in crore)



(Source: Finance Accounts for the respective years)

- The public account liability of the Government decreased by 3.91 per cent from ₹ 55,720.69 crore in 2020-21 to ₹ 53,541.65 crore in 2021-22.
- The net decrease in public account was mainly due to increase in cash balance investment.
- The major contribution to the public account was from ‘small savings, provident fund, etc’.

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.

The total accumulated balance as on 31 March 2022 under Reserve Funds was ₹ 11,287.91 crore (includes ₹ 113.42 crore in interest bearing Reserve Funds and ₹ 11,174.49 crore under non-interest-bearing Reserve Funds). Some of the major Reserve Funds are discussed below.

2.5.2.1 Consolidated Sinking Fund

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

The State Government has created a Consolidated Sinking Fund (CSF) in 2005-06 for amortisation of Open Market Loans, Government of India Loans and Special Securities issued to National Small Savings Fund availed of by the State Government. The fund is managed by the Reserve Bank of India. As per the Notification in Tamil Nadu Gazette, the Government may contribute at the rate of 0.5 *per cent* of the outstanding liabilities as at the end of the previous year, to CSF. During the year, the State Government contributed ₹ 582.20 crore to the Fund, which works out to only 0.11 *per cent* of the outstanding liabilities (internal debt + public account) of ₹ 4,91,355.69 crore as on 1 April 2021. Thus, there was a short contribution of ₹ 1,874.58 crore (₹ 2,456.78 crore minus ₹ 582.20 crore)

As on 31 March 2022, CSF had a balance of ₹ 8,070.69 crore. The interest earned on the investments made during the year was ₹ 309.48 lakh.

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

2.5.2.2 State Disaster Response Fund

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

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

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

During the year 2021-22, the State Government transferred ₹ 1,088 crore to SDRF Account towards natural calamities (Central share of ₹ 816 crore and State Share of ₹ 272 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 2021-22
2245- Relief on Account of Natural Calamities - 01- Drought.	101 - Gratuitous Relief	0.11
	102 - Drinking Water supply	0.01
	800 - Other Expenditure	0.01
	911 - Deduct-Recoveries of Overpayments	(-) 0.93
	Sub Total	(-) 0.80
2245- Relief on Account of Natural Calamities - 02- Floods, Cyclones etc.	101 - Gratuitous Relief	8.99
	105 - Veterinary care	2.63
	106 - Repairs and Restoration of Damaged Roads and Bridges	16.63
	107 - Repairs and Restoration of Damaged Government Office Buildings	2.98
	111 - Ex-Gratia payment to bereaved families	72.18
	113 - Assistance for repairs / reconstruction of houses	19.25
	114 - Assistance to Farmers for purchase of Agricultural inputs	105.52
	117 - Assistance to Farmers for purchase of livestock	0.52
	118 - Assistance for repairs / replacement of damaged boats and equipment for fishing	5.89
	122 - Repairs and Restoration of Damaged Irrigation and Flood control works	19.94
	190 - Assistance to Public Sector and Other undertakings	40.97
	191 - Assistance to Municipal Corporations	215.00
	800 - Other Expenditure	58.78
	282 - Public Health	5.74
	911 - Deduct-Recoveries of Overpayments	(-) 51.73
	Sub Total	523.29
2245- Relief on Account of Natural Calamities - 80 - General	800 - Other Expenditure	9,224.20
	101- Centre for training in disaster preparedness	--
	102 - Management of Natural Disasters, Contingency plans in disaster prone areas	21.39
	911 - Deduct-Recoveries of Overpayments	(-) 63.62
	Sub-Total	9,181.97
	Grand Total	9,704.44
05 - State Disaster Response Fund	901- Deduct - Amount met from State Disaster Response Fund	(-) 1,088.00

(Source: Finance Accounts)

The State Government spent ₹ 9,704.44 crore during the year which includes ₹ 9,181.97 crore expenditure towards relief measures and preparedness relating to CoVID 19 pandemic, which was much more than the amount transferred to the Fund (₹ 1,088 crore). Hence, the balance in the Fund was 'Nil' as on 31 March 2022.

2.5.2.3 Guarantee Redemption Fund

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, the State Government is to contribute an amount equivalent to atleast 1/5th of the outstanding invoked guarantee and amount likely to be invoked as a result of the incremental guarantees issued during the year. .

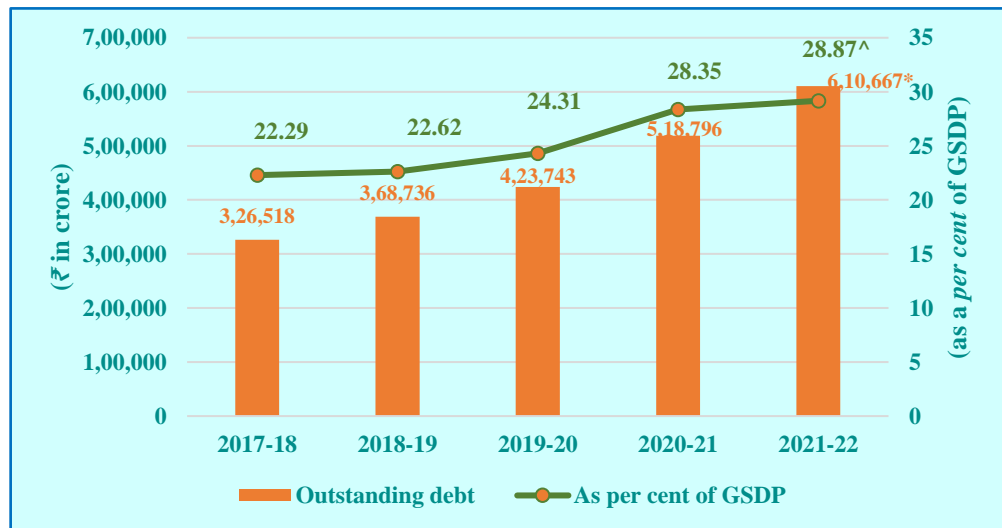
During the year, the Government contributed ₹ 324.75 crore as against ₹ 18,395.08 crore, leading to short contribution of ₹ 18,070.33 crore to the fund during the year. The closing balance as on 31 March 2022 as ₹ 1,145.73 crore out of which ₹ 1,008.49 crore was invested in treasury bills. The gain on sale of securities during the year was ₹ 28.92 crore. No guarantees were invoked during 2021-22.

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 2017-18 to 2021-22 is given in **Chart 2.16**.

Chart 2.16: Trend of outstanding debt



(Source: Finance Accounts for the respective years)

* Effective outstanding debt would be ₹ 5,96,331 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 14,336 crore (₹ 8,095.25 crore in 2021-22 and ₹ 6241 crore in 2020-21) given to the State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

^ The back-to-back loan ₹ 14,336 crore (₹ 8,095.25 crore in 2021-22 and ₹ 6,241 crore in 2020-21) received from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator.

2.6.1 Off budget borrowings

TNFR Act, 2003 defines total liabilities as “the liabilities under the Consolidated Fund of the State and the Public Account of the State”. However, the borrowings made by the Corporation(s) / Agencies for implementing various State Plan programmes, for which the State Government has undertaken to repay the principal and interest are not captured in the Finance Accounts of the

State. These borrowings add to the liabilities of the State indirectly. The details of such outstanding borrowings are given in **Table 2.32** below:

Table 2.32: Details of outstanding off-budget borrowings

(₹ in crore)

Sl. No	Name of the Agency	Off-budget borrowings as of 31 March 2021	Off-budget Borrowings during the year	Borrowings repaid by Government during the year	Off-budget borrowings as of 31 March 2022
1	Tamil Nadu Rural Housing and Infrastructure Development Corporation	411.63	--	38.60	373.03
2	Water and Sanitation Pooled Fund – Tamil Nadu Urban Infrastructure Financial Services Limited	220.77	35.08	16.68	239.17
3	Tamil Nadu Water Supply and Drainage Board	1.59	--	1.14	0.45
4	Tamil Nadu Water Resources Conservation and River Restoration	34.43	594.88	--	629.31
5	TANGEDCO	14,700.49	11,727.43	--	26,427.92
	Total	15,368.91	12,357.39	56.42	27,669.88

(Source: Budget documents and Finance Accounts)

Though the repayment of principal and interest is made through the budget, the outstanding off-budget borrowings of ₹ 27,669.88 crore do not form part of the outstanding debt liability (₹ 6,10,667 crore) of the Government as on 31 March 2022. 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.

The repayments by the Government in respect of the above Agencies are done from the accumulations in the Guarantee Redemption Fund. During 2021-22, as against the estimated receivable Guarantee Fees of ₹ 1,733.90 crore, Guarantee Fees received by the Government was ₹ 295.89 crore. Thus, there was a short collection of Guarantee Fees to the tune of ₹ 1,438.01 crore. Since the Government had been repaying the borrowings of the Boards/Company/Corporation, there is an urgent need for the Government to initiate measures to ascertain that the guarantee fees are collected fully, failing which there would be an adverse impact on the revenue deficit and fiscal deficit in the coming years and such liabilities would become the direct liabilities of the State Government.

2.6.2 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 2.33** and breakup of outstanding debt at the end of 2021-22 is shown in **Chart 2.17**.

Table 2.33: Component wise debt trends

Outstanding Overall Debt (A+B)		2017-18	2018-19	2019-20	2020-21	2021-22
		3,26,518	3,68,736	4,23,743	5,18,796	6,10,667
A. Public Debt (₹ in crore)	Internal Debt	2,72,634	3,04,350	3,52,625	4,29,748	5,02,205
	Loans from GoI	16,135	17,292	17,925	27,440	39,731*
B. Public Account Liabilities (₹ in crore)		37,749	47,094	53,193	61,608	68,731
C. Off-Budget borrowings		847.49	774.50	703.79	15,368.91	27669.88
Rate of growth of outstanding debt (percentage)		15.22	12.93	14.92	22.43	17.71
Debt/GSDP (per cent)		22.29	22.62	24.31	28.35	28.87 [^]
Total Debt Receipts (₹ in crore)		1,62,088	1,63,335	1,87,208	2,44,197	**2,48,996
Total Debt Repayments (₹ in crore)		1,18,964	1,21,117	1,32,202	1,49,143	1,57,125
Total Debt Available (₹ in crore)		43,124	42,218	55,006	95,054	91,871
Debt Repayments/Debt Receipts (per cent)		73.39	74.15	70.62	61.07	63.10

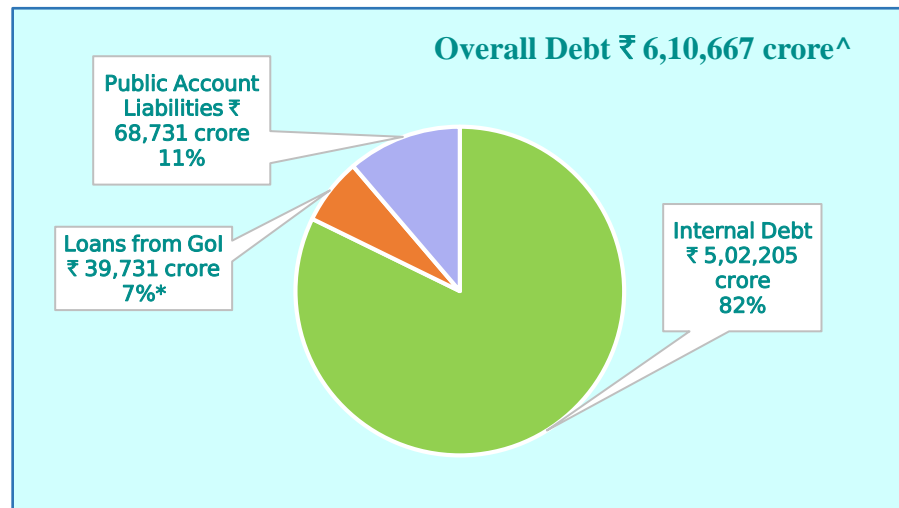
(Source: Finance Accounts for the respective years)

* Effective Loans and Advances from GoI would be ₹ 25,395 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 8,095.25 crore in 2021-22 and ₹ 6,241 crore in 2020-21 given to State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission

[^] The back-to-back loan received (₹ 8,095.25 crore during 2021-22 and ₹ 6,241 crore during 2020-21) from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator.

** Effective Total Debt Receipts would be ₹ 2,40,900.75 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 8,095.25 crore given to the State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. As a result, the effective total debt available would stand at ₹ 83,775.75 crore.

Chart 2.17: Break up of Outstanding Debt at the end of the Financial Year 2021-22



(Source: Finance Accounts)

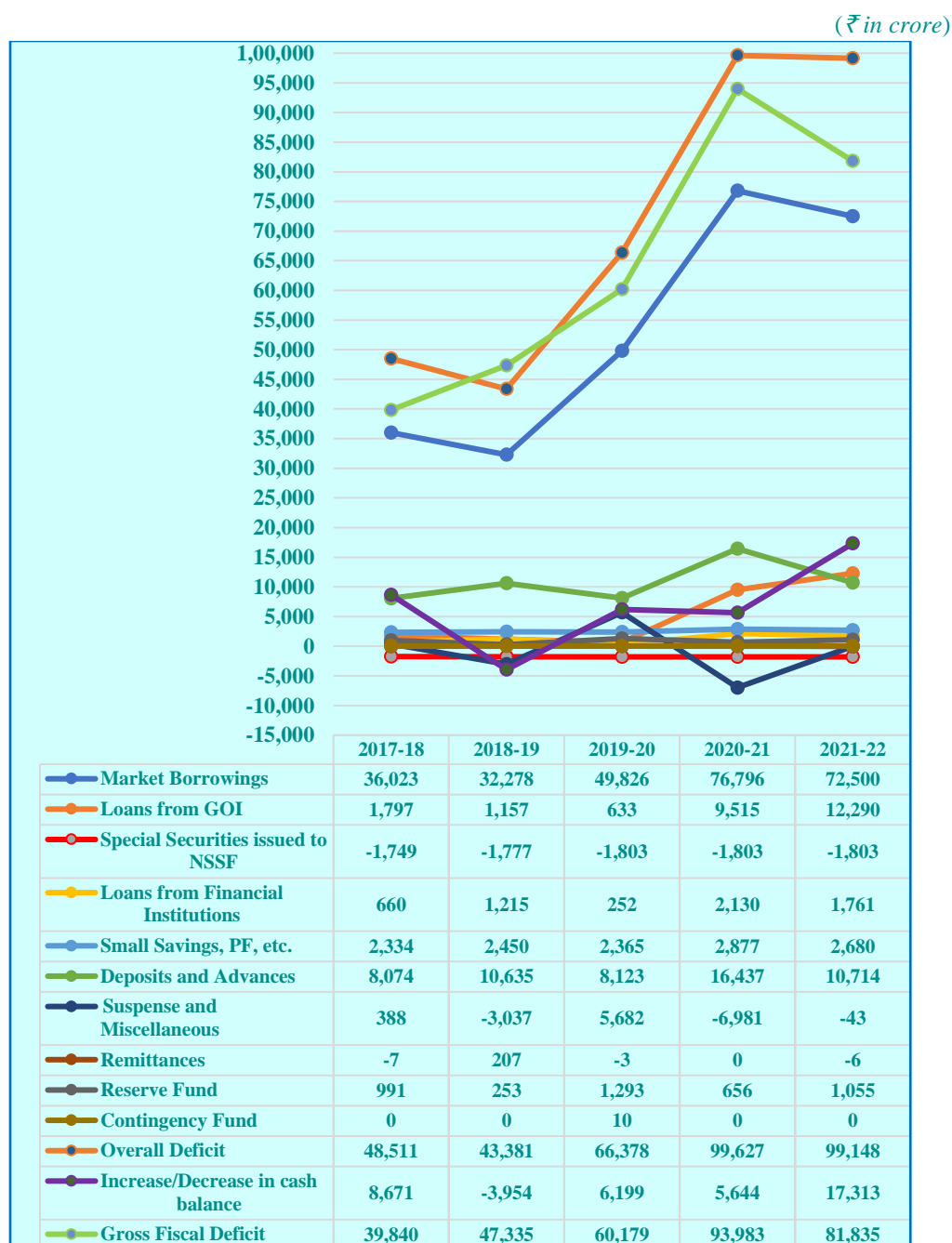
* Effective Loans from GoI ₹ 25,395 crore; [^] Effective Overall Debt ₹ 5,96,331 crore

- The internal debt of the Government increased by 16.86 per cent from ₹ 4,29,748 crore at the end of 2020-21 to ₹ 5,02,205 crore at the end of 2021-22.

- During the year 2021-22, Open Market Loans were raised through the RBI by the State Government to the extent of ₹ 35,500 crore by re-issue of existing Government Securities which has resulted in allowing discount amount of ₹ 762.97 crore.

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

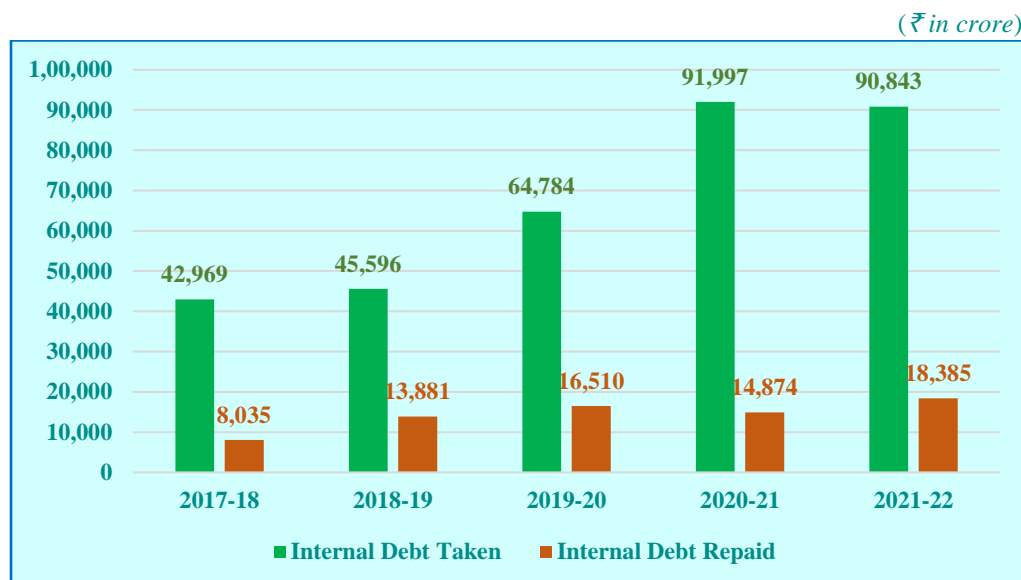
Chart 2.18: Component wise debt trends



(Source: Finance Accounts for the respective years)

Note: Effective Loans and Advances from GoI would be ₹ 5,547.13 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 8,095.25 crore given to State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

Chart 2.19: 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 2.34** and Financing of fiscal deficit expressed through a water fall chart is shown in **Chart 2.20**.

Table 2.34: Components of fiscal deficit and its financing pattern

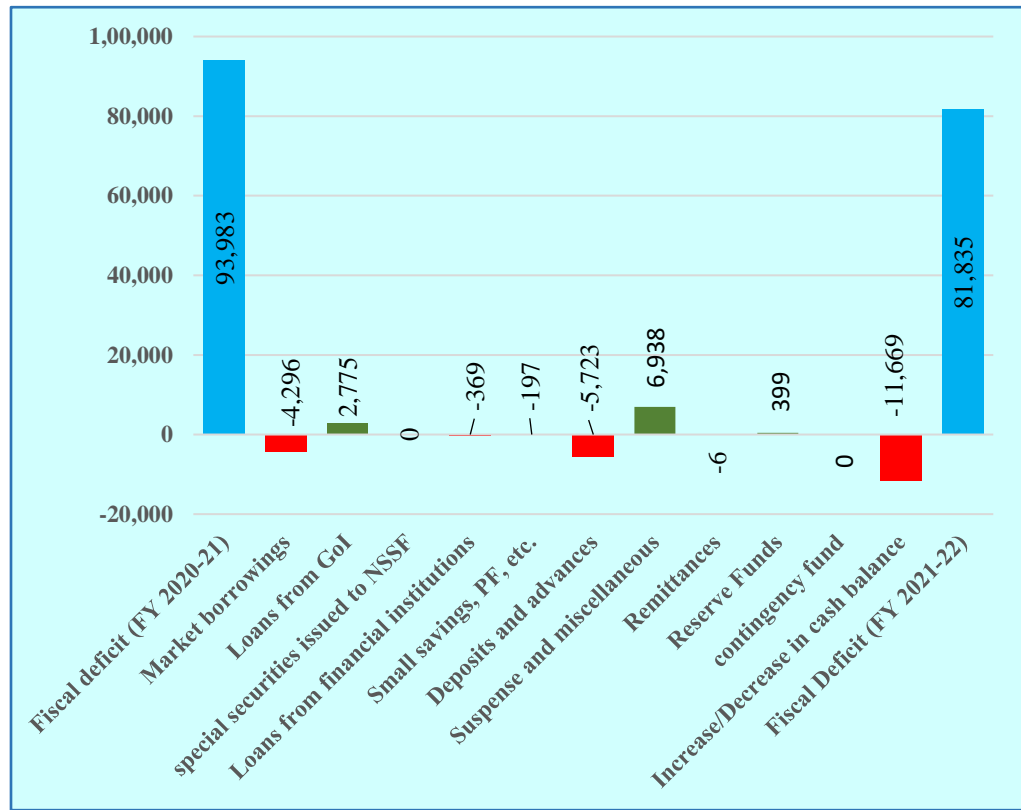
(₹ in crore)

Particulars		2017-18	2018-19	2019-20	2020-21	2021-22
Composition of Fiscal Deficit		39,840	47,335	60,179	93,983	81,835
1	Revenue Deficit	21,594	23,459	35,909	62,326	46,538
2	Net Capital Expenditure	20,201	24,311	25,632	33,067	37,011
3	Net Loans and Advances	(-) 1,955	(-) 435	(-) 1,362	(-) 1,410	(-) 1,714
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	36,023	32,278	49,826	76,796	72,500
2	Loans from GOI	1,797	1,157	633	9,515	12,290*
3	Special Securities issued to NSSF	(-) 1,749	(-) 1,777	(-) 1,803	(-) 1,803	(-) 1,803
4	Loans from Financial Institutions	660	1,215	252	2,130	1,761
5	Small Savings, PF, etc.	2,334	2,450	2,365	2,877	2,680
6	Deposits and Advances	8,074	10,635	8,123	16,437	10,714
7	Suspense and Miscellaneous	388	(-) 3,037	5,682	(-) 6,981	(-) 43
8	Remittances	(-) 7	207	(-) 3	--	(-) 6
9	Reserve Fund	991	253	1,293	656	1,055
10	Contingency Fund	--	--	10	--	--
11	Overall Deficit	48,511	43,381	66,378	99,627	99,148
12	Increase/Decrease in cash balance	8,671	(-) 3,954	6,199	5,644	17,313
13	Gross Fiscal Deficit	39,840	47,335	60,179	93,983	81,835

(Source: Finance Accounts for the respective years)

* Effective Loans and Advances from GoI would be ₹ 4,195 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 8,095.25 crore given to State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

Chart 2.20: Financing of fiscal deficit



(Source: Finance Accounts)

The details of receipts and disbursements financing the fiscal deficit component-wise during the year is shown in **Table 2.35**.

Table 2.35: Receipts and Disbursements under components financing the fiscal deficit
(₹ in crore)

Sl. No	Particulars	Receipt	Disbursement	Net
1	Market Borrowings	87,000	14,500	72,500
2	Loans from GOI	*13,642	1,352	12,290
3	Special Securities issued to NSSF	--	1,803	(-) 1,803
4	Loans from Financial Institutions	3,843	2,082	1,761
5	Small Savings, PF, etc.	9,054	6,374	2,680
6	Deposits and Advances	78,091	67,377	10,714
7	Suspense and Miscellaneous	3,06,841	3,06,884	(-) 43
8	Remittances	--	6	(-) 6
9	Reserve Fund	4,170	3,115	1,055
10	Contingency Fund	--	--	--
11	Total / Overall Deficit	5,02,641	4,03,493	99,148
12	Cash balance	72,386	55,073	17,313
13	Total / Gross Fiscal Deficit	4,30,255	3,48,420	81,835

(Source: Finance Accounts)

* Effective Loans and Advances from GoI would be ₹ 5,547.13 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 8,095.25 crore given to State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

2.6.3 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 2.36** and **Chart 2.21**.

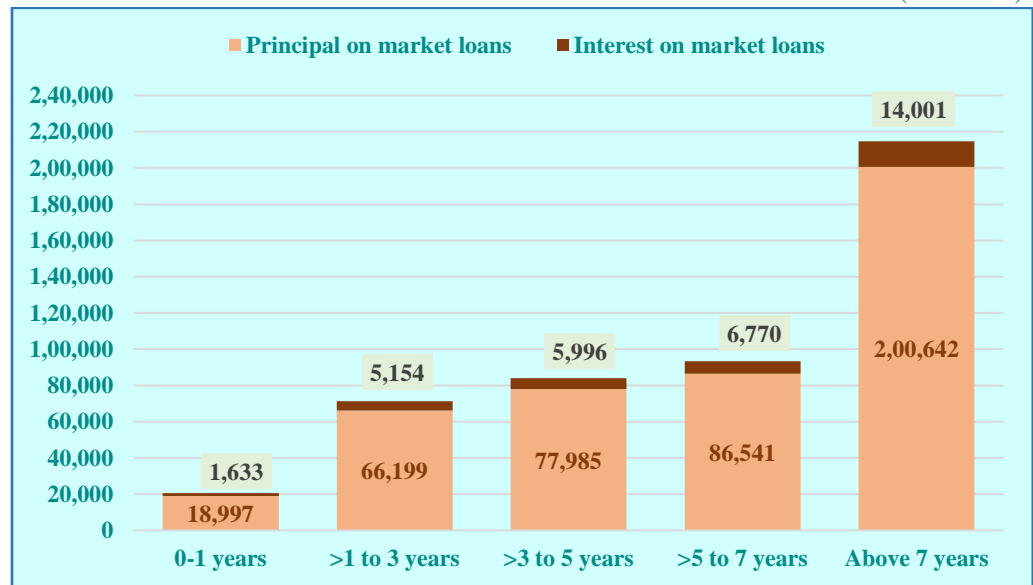
Table 2.36: Debt Maturity profile of repayment of State debt

Period of repayment (Years)	Amount (₹ in crore)	Percentage (w.r.t. Public debt)
0-1 years	23,507	4.34
>1 to 3 years	74,968	13.83
>3 to 5 years	85,808	15.83
>5 to 7 years	93,797	17.31
Above 7 years	2,10,671	38.88
Others ⁸	53,185	9.81
Total	5,41,936	100.00

(Source: Finance Accounts)

Chart 2.21: Repayment Schedule of market loans

(₹ in crore)



(Source: Finance Accounts)

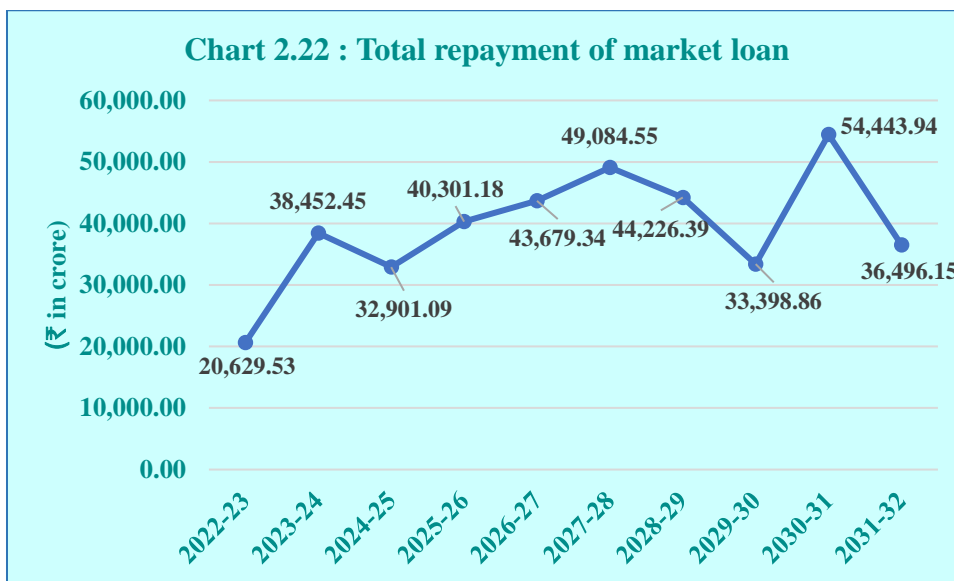
⁸ Payment schedule of this amount is not being maintained by the Accountant General (A&E).

The details of repayment of principal and interest of the outstanding market loan in the next 10 years (2022-23 onwards) is shown in **Table 2.37** and **chart 2.22** below:

Table 2.37: Repayment of Debt and interest

(₹ in crore)

Year	Repayment of		
	Market loans	Interest	Total
2022-23	18,996.81	1632.72	20,629.53
2023-24	35,749.15	2,703.30	38,452.45
2024-25	30,450.00	2,451.09	32,901.09
2025-26	37,375.00	2,926.18	40,301.18
2026-27	40,610.00	3,069.34	43,679.34
2027-28	45,635.32	3,449.23	49,084.55
2028-29	40,905.50	3,320.89	44,226.39
2029-30	31,150.00	2,248.86	33,398.86
2030-31	50,977.00	3,466.94	54,443.94
2031-32	34,100.00	2,396.15	36,496.15



(Source: Finance Accounts)

Over the period of the next ten years, the above trend indicates that the State's repayment of outstanding market loans along with interest shows a fluctuating trend. The State's liability on account of interest would be ₹ 27,664.70 crore and the liability towards principal amount of market loan would be ₹ 3,65,948.78 crore over the next 10 years.

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 2017-18 to 2021-22 is shown below in **Table 2.38** and **Chart 2.23**.

Table 2.38: Trends in debt Sustainability indicators

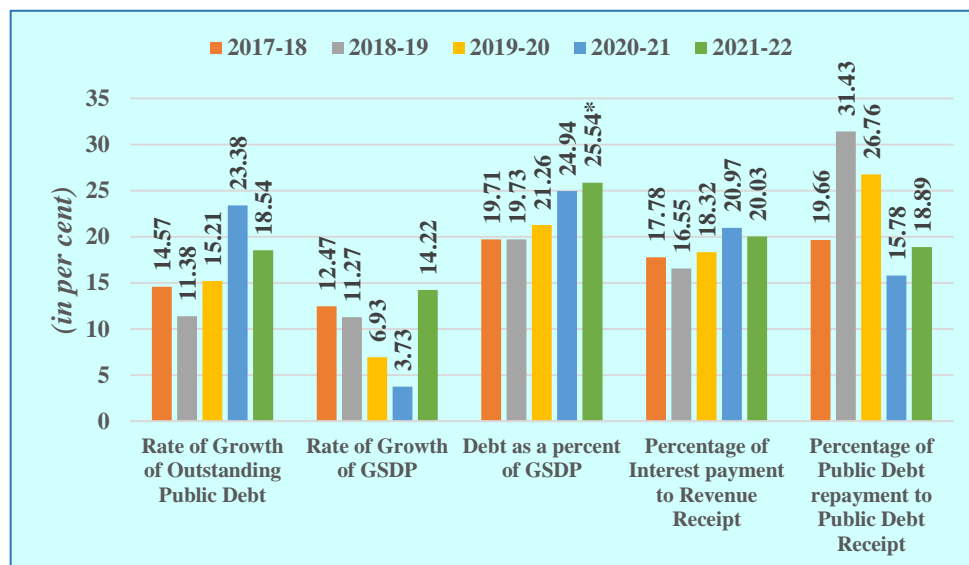
Debt Sustainability Indicators	2017-18	2018-19	2019-20	2020-21	2021-22
(1)	(2)	(3)	(4)	(5)	(6)
Outstanding Public Debt* (₹ in crore)	2,88,769	3,21,642	3,70,550	4,57,188	5,41,936
Rate of Growth of Outstanding Public Debt (per cent)	14.57	11.38	15.21	23.38	18.54
GSDP (₹ in crore)	14,65,051	16,30,209	17,43,144	18,08,239	20,65,436
Rate of Growth of GSDP (per cent)	12.47	11.27	6.93	3.73	14.22
Public Debt*/GSDP (per cent)	19.71	19.73	21.26	25.28	26.24
Debt Maturity profile of repayment of State debt – including default history, if any					
Average Interest Rate of Outstanding Public Debt (per cent)	8.01	7.97	7.71	7.49	7.11
Percentage of Interest payment to Revenue Receipt	17.78	16.55	18.32	20.97	20.03
Percentage of Debt Repayment to Debt Receipt	19.66	31.43	26.76	15.78	18.89
Net Debt available to the State# (₹ in crore)	15,064	8,562	22,218	55,656	41,132
Net Debt available as per cent to Debt Receipts	32.95	17.86	33.27	54.10	39.37
Debt Stabilisation (Quantum spread ^s + Primary Deficit) (₹ in crore)	(-) 2,662	(-) 8,782	(-) 32,403	(-) 74,478	(-) 21,897

(Source: Finance Accounts for the respective years) *Outstanding Public Debt is the sum of outstanding balances under the heads 6003-Internal Debt and 6004- Loans and Advances from the Central Government. Effective outstanding public debt during 2021-22 would be ₹ 5,27,600 crore after excluding the back-to-back loan of ₹ 8,095 crore in 2021-22 and ₹ 6,241 crore in 2020-21.

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

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

Chart 2.23: Trends of Debt Sustainability indicators



(Source: Finance Accounts for the respective years) * Excluding the back-to-back loan of ₹ 8,095 crore in 2021-22 and ₹ 6,241 crore in 2020-21

Effective outstanding public debt would be ₹ 5,27,600 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 6,241 crore and ₹ 8,095 crore given to the State, during 2020-21 and 2021-22 respectively, as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission and therefore, the ratio of effective outstanding public debt to GSDP would be 25.54 *per cent*.

- A sustainable fiscal policy is one where the debt to GSDP ratio is stable or declining over a period of time. However, from the above it could be seen that the debt to GSDP ratio is on an increasing trend which means higher levels of debt which in turn leads to higher deficits.
- The ratio of interest payments to revenue receipts has decreased marginally to 20.03 *per cent*. 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.

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 2017-18 to 2021-22 is shown in **Table 2.39** and **Chart 2.24**.

Table 2.39: Utilisation of borrowed funds

(₹ in crore)

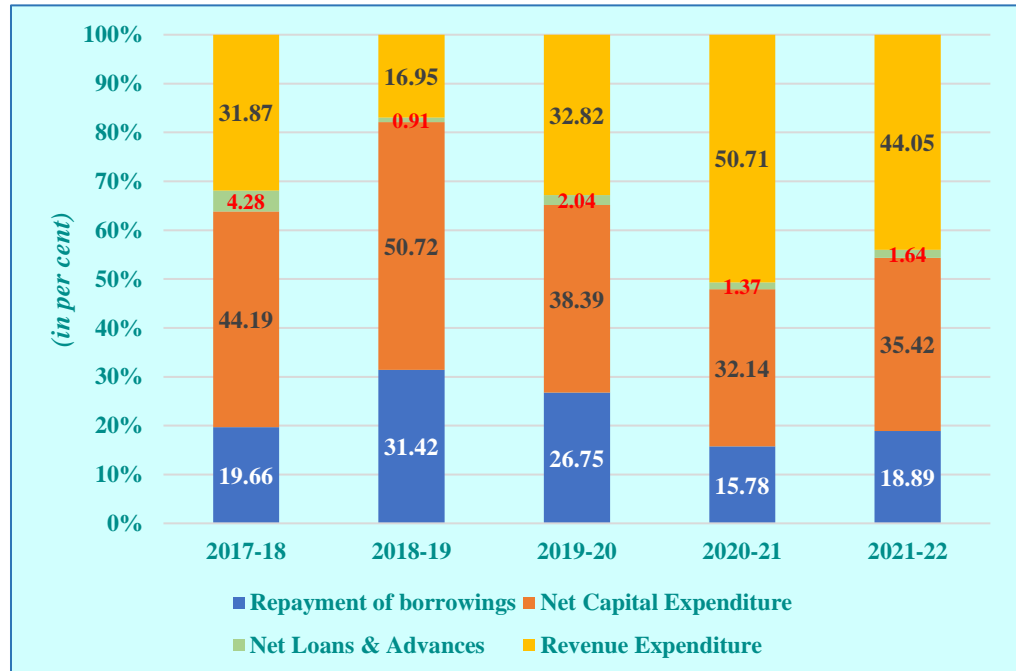
Year		2017-18	2018-19	2019-20	2020-21	2021-22
Total Borrowings (Public Debt)	A	45,722	47,936	66,774	1,02,867	1,04,485*
Repayment of earlier borrowings (Principal) (percentage)	B	8,991 (19.66)	15,064 (31.43)	17,866 (26.75)	16,229 (15.78)	19,737 (18.89)
Net capital expenditure (percentage)	C	20,203 (44.19)	24,311 (50.72)	25,632 (38.39)	33,067 (32.14)	37,011 (35.42)
Net loans and advances (percentage)	D	1,955 (4.28)	435 (0.90)	1,362 (2.04)	1,410 (1.37)	1,714 (1.64)
Portion of Revenue expenditure met out of net available borrowings (percentage)	E = A-B-C-D	14,573 (31.87)	8,126 (16.95)	21,914 (32.82)	52,161 (50.71)	46,023 (44.05)

(Source: Finance Accounts for the respective years)

* Effective total borrowings (public debt) would be ₹ 96,390 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 8,095.25 crore given to the State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

- 44.05 per cent of the borrowed funds was utilised for revenue expenditure.
- Borrowings increased marginally (1.57 per cent) during the year due to a steep increase (19.20 per cent) in revenue receipts.

Chart 2.24: Trends of utilisation of borrowed funds



(Source: Finance Accounts for the respective years)

2.7.2 Status of Guarantees – Contingent Liabilities

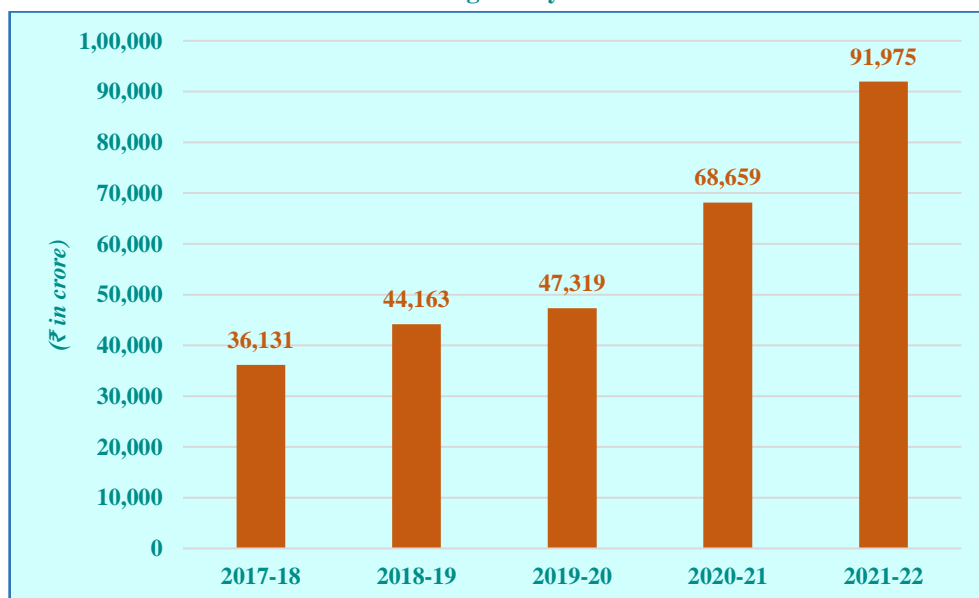
Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. The State Governments have come out with legislations or instructions with regard to cap on the guarantees.

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 or 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 ₹ 91,975.39 crore as on 31 March 2022. This constituted 52.84 *per cent* of the total revenue receipts of 2020-21 (₹ 1,74,076.30 crore) and 4.45 *per cent* of the GSDP (₹ 20,65,436 crore at current prices). No guarantee was invoked during the year. Further, as against the estimated receivable Guarantee Fees of ₹ 1,733.90 crore, Guarantee Fees received by the Government was ₹ 295.89 crore. Thus, there was a short collection of Guarantee Fees to the tune of ₹ 1,438.01 crore.

The details of outstanding amount of guarantees including interest for the period 2017-18 to 2021-22 is given below in **Chart 2.25**.

Chart 2.25: Guarantees given by the State Government



(Source: Finance Accounts for the respective years)

2.7.3 Management of Cash Balances

As per the agreement with the Reserve Bank of India, Tamil Nadu State has to maintain a minimum daily cash balance of ₹ 3.25 crore with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made

good by taking ordinary Ways and Means Advances (WMA)/Special Ways and Means Advances (SWMA)/Overdrafts (OD) from time to time. The limit for Ordinary Ways and Means Advances to the State Government is ₹ 3,601 crore with effect from 31 March 2022. 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 2021-22 and no WMA/ SWMA/ OD was availed during the year.

The details of cash balance and their investments during the year 2021-22 is shown in **Table 2.40** below:

Table 2.40: Cash Balances and their investment

(₹ in crore)

	Opening balance on 1 April 2021	Closing balance on 31 March 2022
A. General Cash Balance		
Cash in treasuries	--	--
Deposits with Reserve Bank of India	(-) 467.24	266.95
Deposits with other Banks	--	--
Remittances in transit – Local	16.80	16.80
Total	(-) 450.44	283.75
Investments held in Cash Balance investment account	5,622.30	14,875.95
Total (A)	5,171.86	15,159.70
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	7.82	7.59
Investment in earmarked funds	49,888.96	57,214.65
Total (B)	49,900.94	57,226.40
Total (A + B)	55,072.80	72,386.10
Interest realized	3,524.47	3,917.94

(Source: Finance Accounts)

Cash Balances (and its investments) of the State Government at the end of the current year increased by ₹ 17,313 crore from ₹ 55,073 crore in 2020-21 to ₹ 72,386 crore in 2021-22.

The State Government has earned an interest of ₹ 121 crore during 2021-22 from the investments made in GoI Securities and Treasury Bills. Out of the investment of ₹ 57,215 crore in earmarked funds, ₹ 7,748.22 crore was invested

in the Consolidated Sinking Fund and ₹ 1,008.49 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 2017-18 to 2021-22 are shown in **Table 2.41** and **Chart 2.26** and the month wise movement of cash balances and net cash balance investments during the year is shown in **Chart 2.27**.

Table 2.41: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

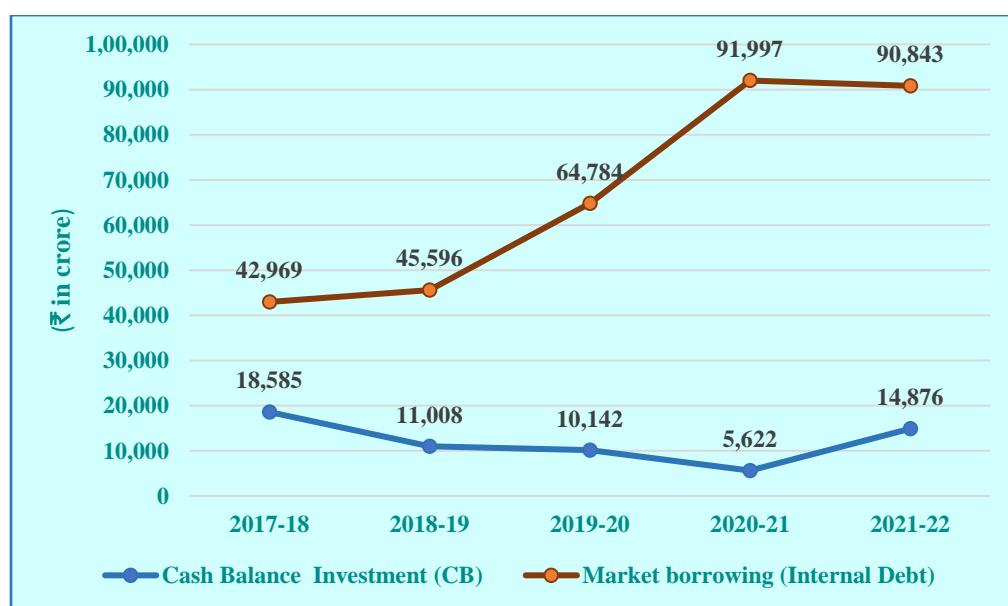
Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
2017-18	15,144.29	18,585.03	3,440.74	564.26
2018-19	18,585.03	11,008.09	(-) 7,576.94	729.20
2019-20	11,008.09	10,141.94	(-) 866.15	300.72
2020-21	10,141.94	5,622.30	(-) 4,519.64	214.51
2021-22	5,622.30	14,875.95	9,253.65	120.58

(Source: Finance Accounts for the respective years)

The trend analysis of the cash balance investment of the State Government during 2017-22 revealed that investment increased significantly during 2017-18. However, the investment which was on a reducing trend and was ₹ 5,622 crore at the end of the 2020-21, increased significantly and stood at ₹ 14,876 crore during the current year. The Government paid interest at an average rate of 7.11 *per cent* towards outstanding public debt where as it earned average yield of 4.29 *per cent* on investment of treasury bills.

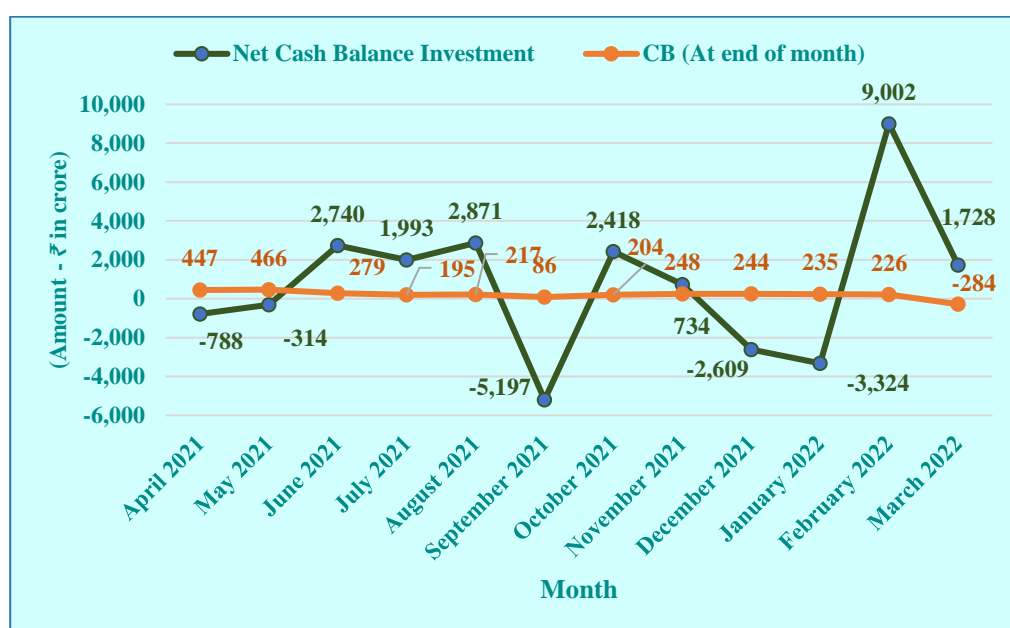
Chart 2.26 compares the balances available in the Cash Balance Investment Account and the Market Loans taken by the State during the period 2017-22. Market Loans were taken at higher interest rates whereas investment in Treasury Bills yielded interest at lower rates.

Chart 2.26: Market loans vis-à-vis Cash Balance



(Source: Finance Accounts for the respective years)

Chart 2.27: Month wise movement of Cash Balances and net cash balance investments during the year



(Source: Finance Accounts)

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

2.8 Conclusion and recommendations

State's Own Resources:

Own tax revenue: The annual growth rate of own tax revenue during 2021-22 was 15.74 per cent.

Own tax revenue as a percentage of GSDP of the State during 2021-22 was 5.95.

Non-tax revenue: The non-tax revenue of the State increased by ₹ 1,695 crore in 2021-22 over the previous year. As a proportion of the State's own resources, the non-tax revenue which stood at 8.94 per cent in 2020-21 increased marginally to 8.98 per cent in 2021-22.

State's performance in mobilization of resources: State's own tax revenue receipts and non-tax revenue receipts during 2021-22 fell considerably short of the target fixed under XV FC, Budget and 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 2017-22 between 9.58 per cent in

2017-18 to 7.46 *per cent* in 2021-22. During 2021-22, Revenue Expenditure witnessed an increase of ₹ 17,628 crore over the previous year, and as a percentage of GSDP decreased from 13.07 *per cent* in 2020-21 to 12.30 *per cent* during the current year.

Capital expenditure increased by 11.92 *per cent* during the year. As a percentage of GSDP, Capital expenditure decreased to 1.79 *per cent* during the current year as against 1.83 *per cent* during 2020-21. During the year, Government had invested ₹ 263.58 crore in loss making companies/corporations, whose net-worth had eroded as of March 2022.

Recommendation: Government should commission an independent third party assessment of its investments in loss making PSUs to take appropriate decisions on the need for continued investment in these.

(Paragraphs 2.4.1 and 2.4.3)

National Pension System: The State Government has not yet joined NPS and designated a fund manager. The Government has earned an interest/average yield of 5.47 *per cent* and 4.29 *per cent* on investment of DCPS fund in LIC and in T-Bills respectively. However, the interest paid to individual account holders during the period was 7.10 *per cent*, the rates being at par with the interest paid to GPF subscribers. Non-constitution of a fund manager had resulted in avoidable additional burden to the Government to the tune of ₹ 670.36 crore (at an average interest rate of 4.88 *per cent*) alone in 2021-22, which is being paid from the Government's own resources. The year on year interest burden has also been on an increasing trend. Had the Government been joined NPS and designated fund manager in accordance with the PFRD Act, the Government could have avoided paying the additional interest and the subscribers would have been benefitted with interest rate ranging between 9.50 *per cent* and 9.91 *per cent* from the designated fund managers instead of 7.10 *per cent*. Thus, an imprudent decision taken by the Government of Tamil Nadu in not joining NPS and designating a fund manager in accordance with the PFRD Act, has led to incurring avoidable extra expenditure (₹1,296.61 crore since 2020-21) and this avoidable excess burden has been mounting up year after year.

Recommendation: Government should consider appointing a Fund Manager to ensure better returns.

(Paragraphs 2.4.2.3)

CHAPTER – 3

**BUDGETARY
MANAGEMENT**

CHAPTER 3

BUDGETARY MANAGEMENT

3.1 Budget Process

The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. 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:



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

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

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

3.1.1 Summary of total provisions, actual disbursement and savings/excess during 2021-22

A summarised position of total budget provision, disbursement and saving/excess with its further bifurcation into voted/charged during the year 2021-22 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
2,84,539	65,201	2,56,920	62,442	(-) 27,624	(-) 2,759	(+) 5	--*

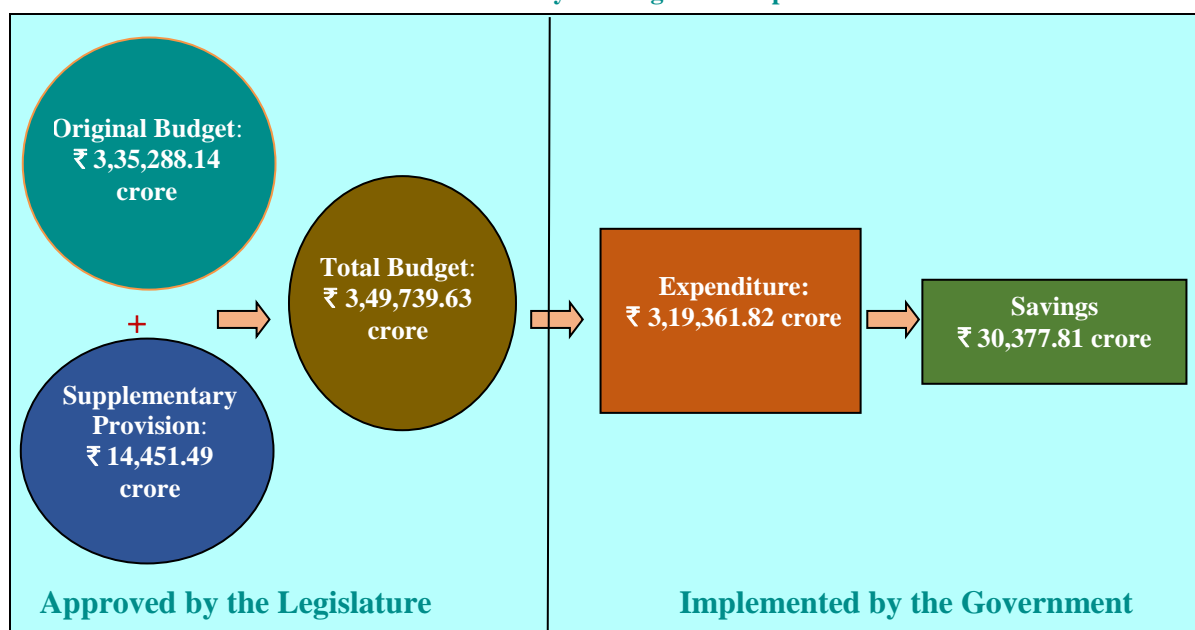
* 0.66 crore

(Source: Appropriation Accounts)

The overall savings of ₹ 30,383 crore shown above, when offset by excess of ₹ 5 crore in certain grants/appropriations, works out to net savings of ₹ 30,378 crore.

The total amount approved by the State Legislature including the original and supplementary budgets and expenditure during the year 2021-22 is depicted below in **Chart 3.1**.

Chart 3.1: Summary of Budget and Expenditure



(Source: Appropriation Accounts)

3.1.2 Charged and Voted disbursements

The details of total voted and charged disbursement and savings/excess for the five-year period from 2017-18 to 2021-22 are given below in **Table 3.2**.

Table 3.2: Trend of Savings/Excess

(₹ in crore)

Year	Provisions		Disbursements		Net savings (-)	
	Voted	Charged	Voted	Charged	Voted	Charged
2017-18	1,98,227	38,574	1,72,362 (87)	36,260 (94)	(-) 25,865 (13)	(-) 2,314 (6)
2018-19	2,21,168	46,825	2,03,324 (92)	44,846 (96)	(-) 17,844 (8)	(-) 1,980 (4)
2019-20	2,36,358	51,995	2,10,349 (89)	50,910 (98)	(-) 26,009 (11)	(-) 1,084 (2)
2020-21	2,82,839	56,133	2,40,033 (85)	53,720 (96)	(-) 42,806 (15)	(-) 2,413 (4)
2021-22	2,84,539	65,201	2,56,920 (90)	62,442 (96)	(-) 27,619 (10)	(-) 2,759 (4)

Figures in parenthesis indicate per cent

(Source: Appropriation Accounts for the respective years)

The total utilisation of voted grants was 90 per cent of the provision during the current year, which increased by five per cent over the previous year.

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.

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

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

3.3 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

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

3.3.1.1 Expenditure incurred without Final Modified Appropriation (FMA)

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

It was, however, noticed that in 15 cases, a total expenditure of ₹ 37.93 crore was incurred without FMA as detailed in **Appendix 3.1**.

3.3.1.2 Expenditure without provision in Original and Supplementary

Article 266 (3) of the Constitution of India prohibits withdrawal of money from the Consolidated Fund of the State unless relevant Appropriation Acts under Articles 204 and 205 of the Constitution of India are passed by the Legislature. It was, however, noticed that in 6 cases, a total expenditure of ₹ 2.26 crore, as detailed in **Table 3.3**, was incurred through re-appropriation³ without the knowledge of the Legislature.

Table 3.3: Expenditure without Original and Supplementary provision

(₹ in lakh)

Grant No.	Head of Account	Total Grant (Re-Appropriation)	Actual Expenditure
31	2852.07.800.UA	5.00	5.00
36	3475.00.800.JK	0.13	0.13
43	2202.02.800.UB	205.19	205.19
50	2071.01.101.AR	2.54	2.54
54	4406.01.102.JM	7.89	7.89
54	4406.02.110.JK	5.25	5.25
Total		226.00	226.00

(Source: Appropriation Accounts)

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

3.3.2 Drawal of funds to avoid lapse of budget grant

According to Para 178 of the Tamil Nadu Budget Manual, it is irregular to draw money from Government account without immediate requirement. Further, as per Article 39 of the Tamil Nadu Financial Code Volume-I, all appropriations lapse at the close of the financial year and no money should be drawn from the treasury in order to prevent it from lapsing and use it for expenditure after the end of year.

It was observed that ₹ 2.77 crore was booked as expenditure under the Head of Account ‘2041-00-800-AG – Implementation of Road Safety Programme’, which were drawn at the fag end of the year and parked in two separate bank accounts, violating codal provisions and inflating the revenue expenditure of the department to that extent. This is indicative of the fact that the money was drawn without requirement and that it was drawn to avoid lapse at close of the financial year.

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.

During the year, capital expenditure of an amount of ₹ 10.79 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 overstatement of Revenue Expenditure to that extent.

3.3.4 Unnecessary or excessive Supplementary grant

During 2021-22, against the original provision of ₹ 3,35,288.14 crore and supplementary provision of ₹ 14,451.49 crore, only an expenditure of ₹ 3,19,361.82 crore was incurred, leading to a net savings of ₹ 30,377.81 crore. Supplementary provisions aggregating ₹ 242.64 crore in 59 cases⁴ proved unnecessary as the original provision was not exhausted as detailed in **Appendix 3.2**. Out of 59 cases, 37 cases were under “Grant 19 – Health & Family Welfare Department”, the supplementary provision unnecessarily provided in budget amounted to ₹ 175.60 crore.

⁴

Cases where supplementary provision of ₹ 50 lakh or more

3.3.4.1 Inadequate Supplementary grants

In two cases, the supplementary provision proved insufficient, leaving an aggregate uncovered excess expenditure as detailed in **Table 3.4**.

Table 3.4: Case 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	34 – Municipal Administration and Water Supply Department – Loans (Voted)	542.37	27.64	570.01	572.00	1.99
2	44 – Micro, Small and Medium Enterprises Department – Capital (Voted)	0.65	2.55	3.20	5.06	1.86
	Total	543.02	30.19	573.21	577.06	3.85

(Source: Appropriation Accounts)

On scrutiny of the excess in Grant No. 34, it was noticed that under the Heads of Accounts ‘6217-60-190-PK’ additional provision was made through supplementary estimates and re-appropriation. Under the Heads of accounts 6217-60-190-PN, ‘6217-60-190-PI’ and ‘7610-00-201-AY’ additional provision was made through re-appropriation. However, the expenditure exceeded the overall provision under the grant.

In the second instance, it was noticed that under the Head of Account ‘4851-00-102-LG -Infrastructure support to Small Scale Industries Cluster’ the token provision made in the original provision was withdrawn by way of re-appropriation. However, an expenditure of ₹ 1.86 crore was made under this head of account indicating defective budgeting process.

3.3.5 Unnecessary/excess/insufficient re-appropriation of funds

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

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

Audit scrutiny revealed that there were unnecessary / excess / insufficient re-appropriations made indicating inaccurate and unrealistic budgeting, thereby depriving funds for the other needy Schemes as detailed in **Table 3.5**.

Table 3.5: Injudicious re-appropriations made during 2021-22

Sl. No	Description	No. of HoA	Amount (₹ in crore)	Reference – Appendix No
1	Savings greater than ₹ 2 crore	59	2,371.20	3.3
2	Excess greater than ₹ 2 crore	30	539.70	3.3
3	Provision made in re-appropriation where expenditure was either nil or within the original and supplementary provisions	26	53.00	3.4
4	Provision of more than ₹ 100 crore fully withdrawn through re-appropriation	14	2,756.88	3.5
5	Withdrawal of entire provision of interest liability (2049-60-101) on deposits under MH 8342	18	26.19	3.6

(Source: Detailed Appropriation Accounts)

It was also noticed that in 14 cases as detailed in **Appendix 3.7**, though the entire provision was fully withdrawn by re-appropriations, expenditure of ₹ 37.92 crore was incurred under the schemes, indicating injudicious re-appropriations.

- An amount of ₹ 34.51 crore provided for in the supplementary estimates under the head of account ‘5053-02-102-AD - Expansion of Madurai Airport’. The entire amount was expended in August 2021. However, during re-appropriation in March 2022, the entire provision was withdrawn, resulting in expenditure without Final Modified Appropriation (FMA).
- A token provision was provided in the Original budget estimate under the Head of Account ‘4851-00-102-LG – Infrastructure support to Small Scale Industries Cluster’, this was withdrawn through re-appropriation during March 2022. However, an expenditure of ₹ 1.86 crore was incurred during the month of February 2022

A further detailed scrutiny of all the re-appropriation orders issued by the Finance Department revealed that in respect of 9,656 out of 24,676 items (39.13 *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. On being pointed out by Audit, Government replied that detailed instructions would be issued to the Departments and Heads of Department for furnishing specific reasons for surrender/excess over appropriations.

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

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

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

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

3.3.6.1 Savings

Audit observed that in 42 cases there were savings of above ₹ 100 crore amounting to ₹ 28,723.33 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 3.6**.

Table 3.6: Grants/ Appropriations greater than ₹ 10 crore where utilisation of budget was less than 50 per cent

(₹ in crore)

Sl. No.	Grant Number and Description	Total provision	Expenditure	Percentage of utilisation
	Revenue			
1	38 – Public Department (Charged)	10.36	3.70	35.71
	Capital			
2	05 – Agriculture and Farmer's Welfare Department	549.39	253.99	46.23
3	06 - Animal Husbandry (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	470.32	188.04	39.98
4	07 - Fisheries and Fishermen Welfare (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	580.97	275.45	47.41
5	09 - Backward Classes, Most Backward Classes and Minorities Welfare Department	88.84	40.21	45.26
6	13 - Food and Consumer Protection (Co-operation , Food and Consumer Protection Department)	867.64	93.58	10.79

Sl. No.	Grant Number and Description	Total provision	Expenditure	Percentage of utilisation
7	16 - Finance Department	620.00	47.36	7.64
8	22 - Police (Home, Prohibition and Excise Department)	281.50	7.29	2.59
9	23 - Fire and Rescue Services (Home, Prohibition and Excise Department)	25.63	0.25	0.98
10	54 - Forests (Environment, Climate Change and Forests Department)	93.98	41.43	44.08
	Loans			
11	05 – Agriculture and Farmer's Welfare Department (Voted)	130.76	0.76	0.58
12	48 - Transport Department	549.45	100.78	18.34

(Source: Appropriation Accounts)

It was noticed that utilization was less than 10 *per cent* of the provision made in 4 cases. The reasons for poor utilisation have not been furnished by the respective Departments.

3.3.6.2 Surrenders

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

During the year, out of total savings of ₹ 30,377.81 crore, an amount of ₹ 29,879.64 crore only was surrendered. Out of the ₹ 11,739.35 crore (Net) surrendered on the last day (31 March 2022), 92 cases amounting to ₹ 12,387.29 crore (**Appendix 3.9**) were in excess of over ₹ 10 crore indicating inadequate financial controls.

Further, in respect of surrender more than savings, the departments could not know the exact amount of savings which is to be surrendered at the end of the financial year during re-appropriation.

This indicates that the Finance Department has no proper control over the finances of the State even after the implementation of IFHRMS.

- Under 20 grants and two appropriation, savings of more than rupees one crore (₹ 895.01 crore) was not surrendered fully as given in **Appendix 3.10**.
- In 18 Grants/Appropriation under Revenue, 11 Grants/ Appropriation under Capital and five Grants/Appropriation under Loans, surrenders were made more than savings as listed in **Appendix 3.11**.

3.3.6.3 Budget Utilisation

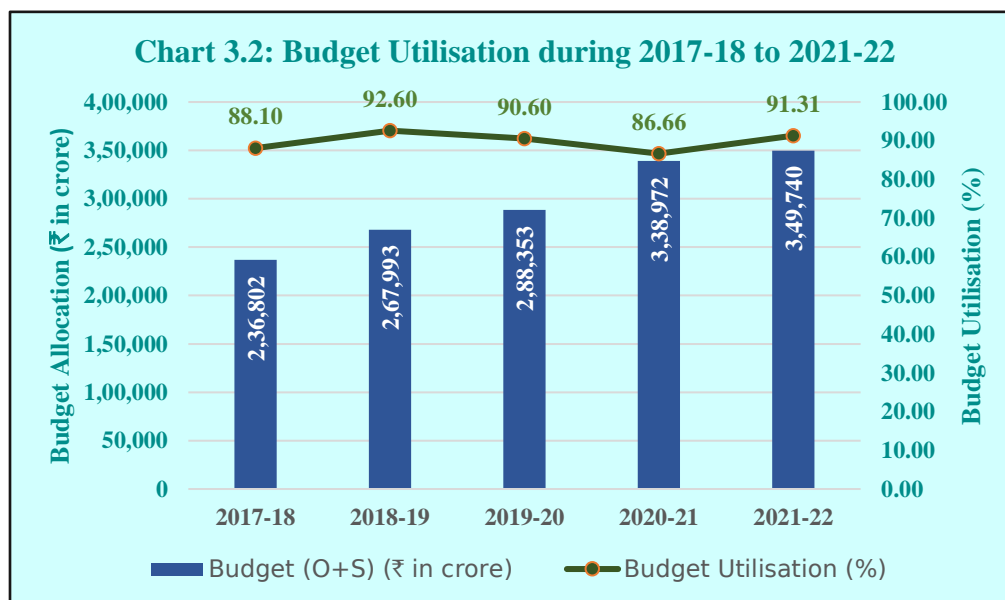
The distribution of the number of grants / appropriations grouped by percentage of utilisation and total savings in each group is given in **Table 3.7** below:

Table 3.7: Utilisation of Grants / Appropriations

Percentage utilisation	50%-70%	70%-90%	90%-100%
No of Grants	6	29	21
Saving (₹ in crore)	5,675.09	12,765.14	11,936.39

(Source: Appropriation Accounts)

The following **Chart 3.2** shows the Budget utilisation for the period from 2017-18 to 2021-22.



(Source: Appropriation Accounts)

The percentage of utilisation increased considerably by 4.65 *per cent* during the current year and stood at 91.31 *per cent*.

3.3.6.4 Persistent Savings

Under 24 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 5.22 to 81.79 and Capital Section ranged from 8.36 to 100 *per cent*.

As may be noted from the **Appendix 3.12**, there was a persistent savings of more than 92 *per cent* under capital section during all the past five years in Grant 16 - Finance Department. It was noticed that during the past five years, huge amounts provided were withdrawn through re-appropriation under the Head of Account '4070-00-800-KF – Transfer to Tamil Nadu Infrastructure Development Fund (TNIDF)' as shown below in **Table 3.8**.

Table 3.8: Provision and re-appropriation under Tamil Nadu Infrastructure Development Fund

(₹ in crore)					
Details	2017-18	2018-19	2019-20	2020-21	2021-22
Provision	2,000	500	500	500	500
Re-appropriation	(-) 2,000	(-) 499	(-) 498	(-) 500	(-) 457

(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.

Improper budgeting resulted in excess provision made being withdrawn at the re-appropriation stage which deprives the other departments/schemes in which funds could have been utilised.

The Government will have to consider the previous years' surrenders and estimate the actual requirement to transfer.

On this being pointed out, Government replied (December 2022) that as many of the infrastructure projects were at a preliminary stage, the necessity for seeking financial assistance by the implementing agencies from TNIDF did not arise and the actual requirement could not be estimated accurately, hence, the budget allocations were surrendered.

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

Legislative sanction is required for all expenses. Excess expenditure over the provisions not only contravenes this but also indicates bad financial planning.

The cases of excess disbursements over grants/appropriations during the year 2021-22 are given below in **Table 3.9**.

Table: 3.9: Excess over provisions during the year

(₹ in crore)

Name of the Department	Voted			Charged		
	Revenue	Capital	Loans & Advances	Revenue	Capital	Loans & Advances
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Relief on Account of Natural Calamities (Grant No.51)	--	--	--	0.66	--	--
Human Resources Management Department (Grant No.35)	--	0.73	--	--	--	--
Micro, Small and Medium Enterprises Department (Grant No.44)	--	1.86	--	--	--	--
Municipal Administration and Water Supply Department (Grant No.34)	--	--	1.99	--	--	--
Total	--	2.59	1.99	0.66	--	--
Grant Total	5.24					

(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.

The reasons for excess expenditure are discussed in the succeeding paragraphs below:

Relief on account of Natural Calamities

- On being pointed by Audit, Government, while accepting the fact, replied (December 2022) that the expenditure of ₹ 0.66 crore had been incurred due to emergency requirement and such lapses would be avoided in future.

Municipal Administration and Water Supply Department

- The excess expenditure of ₹ 1.99 crore incurred was mainly under the Heads of Account “6217.60.190.PK - ₹ 38.44 crore, 6217.60.190.PN- ₹ 18.23 crore, 6217.60.190.PI - ₹ 17.29 crore and 7610.00.201.AY - ₹ 0.80 crore”, which was an offset by savings.

On being pointed out by Audit, the Government replied (December 2022) that ₹ 2.59 crore was received (HoA: 6217.60.190.PN) at the end of the year i.e., on 24 March 2022 after finalization of Final Supplementary estimate. Hence provision could not be made. The reply of the Government was not tenable as excess expenditure was due to insufficient re-appropriation in the HoA.

Micro, Small and Medium Enterprises Department

- The excess expenditure of ₹ 1.86 crore incurred under the Head of Account “4851.00.102.LG - Infrastructure support to Small Scale Industries Cluster” - Creation of additional capacity of 750 KLD capacity of ZLD system at VISHTEC Common Effluent Treatment Plant (CETP), Melvisharam, Ranipet District. On being pointed out during the Entry conference the Government replied (August 2022) that the amount had been transferred to “2851-00-102-MV Grants for creation of Capital Assets” from the Head of Account 4851-00-102-LG and within re-appropriation. The reply of the department was not tenable as re-appropriation could not be made from Capital head to Revenue head.

3.3.7.2 Regularisation of excess expenditure of previous years

Excess expenditure of ₹ 2,848.83 crore relating to 2014-21 was yet to be regularised by the State Legislature as detailed below in **Table 3.10**.

Table 3.10: Regularisation of excess expenditure of previous years

Year	Grant No./Appropriation	Amount of excess required to be regularised (₹ in crore)	Status of regularisation
(1)	(2)	(3)	(4)
2014-15	10, 16, 23, 30, 32, 35, 36, 40, 43, 45	78.55	Paras on excess expenditure have been discussed on 18/08/2022 and 02/09/2022, PAC Report awaited.
2015-16	19, 23, 30, 39, 47, 49	82.16	
2016-17	10, 12, 17, 21, 32, 39, 40	167.16	Explanatory Notes have been received for all four grants and five appropriations.
2017-18	06, 10, 13, 19, 21, 24, 40, 41, 52	77.55	Explanatory Notes have been received for all six grants and one appropriation.
2018-19	10, 15, 27, 37, 40, 42, 43	1,480.54	Explanatory Notes have been received for all the seven Grants.
2019-20	13, 40, 41, 43, 48	942.00	Explanatory notes for all the five grants yet to be received.
2020-21	27	20.87	State Finance Audit Report was placed in the Legislative Assembly on 19/10/2022
	Total	2,848.83	

(Source: Appropriation Accounts)

3.4 Effectiveness of budgetary and accounting process

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

3.4.1 Budgetary projection and gap between expectations and actuals

Summarised position of actual expenditure *vis-à-vis* Budget (Original/Supplementary) provision during 2021-22 (Voted and Charged) is given below in **Table 3.11**.

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

(₹ in crore)

Nature of expenditure	Original grant/ Appropriation	Supple- mentary grant/ 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	2,20,115.64	11,279.62	2,31,395.26	2,16,331.25	(-) 15,064.00	(-) 14,571.84	(-) 9,762.58	96.73
II Capital	44,340.10	2,323.39	46,663.49	36,948.00	(-) 9,715.49	(-) 9,864.41	(-) 1,726.00	101.53
III Loans and Advances	5,807.92	672.19	6,480.11	3,640.52	(-) 2,839.59	(-) 2,845.67	(-) 246.25	100.21
Total Voted	2,70,263.66	14,275.20	2,84,538.86	2,56,919.77	(-) 27,619.08	(-) 27,281.92	(-) 11,734.83	
Charged								
IV Revenue	45,140.35	48.02	45,188.37	42,602.95	(-) 2,585.42	(-) 2,427.41	52.29	93.89
V Capital	26.74	128.28	155.02	101.86	(-) 53.17	(-) 53.16	(-) 53.16	99.99
VI Public Debt- Repayment	19,857.38	0.00	19,857.39	19,737.24	(-) 120.14	(-) 117.15	(-) 3.65	97.51
Total - Charged	65,024.47	176.30	65,200.78	62,442.05	(-) 2,758.73	(-) 2,597.72	(-) 4.52	
Appropriation to Contingency Fund (if any)	..	..	..	..	..	..	..	..
Grand Total	3,35,288.13	14,451.50	3,49,739.64	3,19,361.82	(-) 30,377.81	(-) 29,879.64	(-) 11,739.35	

(Source: Appropriation Accounts for the year 2021-22)

The overall savings of ₹ 30,377.81 crore (more than 100 per cent of supplementary provision), meant that Government could have spent the additional requirements through only re-appropriation and making the entire supplementary provision of ₹ 14,451.50 crore unnecessary. This indicates poor budgetary management. Hence, it is recommended Government should make efforts to avoid unnecessary supplementary provision and should hold responsible the controlling officers if supplementary appropriations are found unnecessary.

An amount of ₹ 29,879.64 crore was surrendered in the month of March 2022. Out of this, an amount of ₹11,739.35 crore (39.29 per cent) was surrendered on the last day i.e., 31 March 2022. This indicates improper budgeting and expenditure planning.

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

Table: 3.12: Trend of savings/excess

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
Original budget	2,19,339.48	2,43,847.26	2,68,501.58	3,04,954.43	3,35,288.14
Supplementary budget	17,462.14	24,146.16	19,851.68	34,018.02	14,451.49
Revised Estimate (O+S)	2,36,801.62	2,67,993.42	2,88,353.26	3,38,972.45	3,49,739.63
Actual expenditure	2,08,622.18	2,48,170.03	2,61,259.86	2,93,753.73	3,19,361.82
Net savings	(-) 28,179.44	(-) 19,823.39	(-) 27,093.40	(-) 45,218.72	(-) 30,377.81
Percentage of savings	11.90	7.40	9.40	13.34	8.69

(Source: Appropriation Accounts for the respective years)

From the above table, it may be seen that there was a significant improvement in the utilisation of funds and the percentage of savings reduced from 13.34 in 2020-21 to 8.69 per cent in 2021-22.

A total of 1367 sub heads were commented upon in the Appropriation Accounts of the state and reasons were sought from the departments concerned for savings/excess, if any. Reasons for variation were not received from 383 sub-heads.

In the Exit conference, the ACS (Finance) stated that the budgetary issues will be taken up with the IFHRMS teams and would be resolved.

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 ₹ 14,247.45 crore under 124 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 2022. Besides, in respect of three grants listed below in **Table 3.13**, 50 per cent of expenditure was incurred in the month of March 2022. Rush of expenditure at the end of the year shows poor expenditure control.

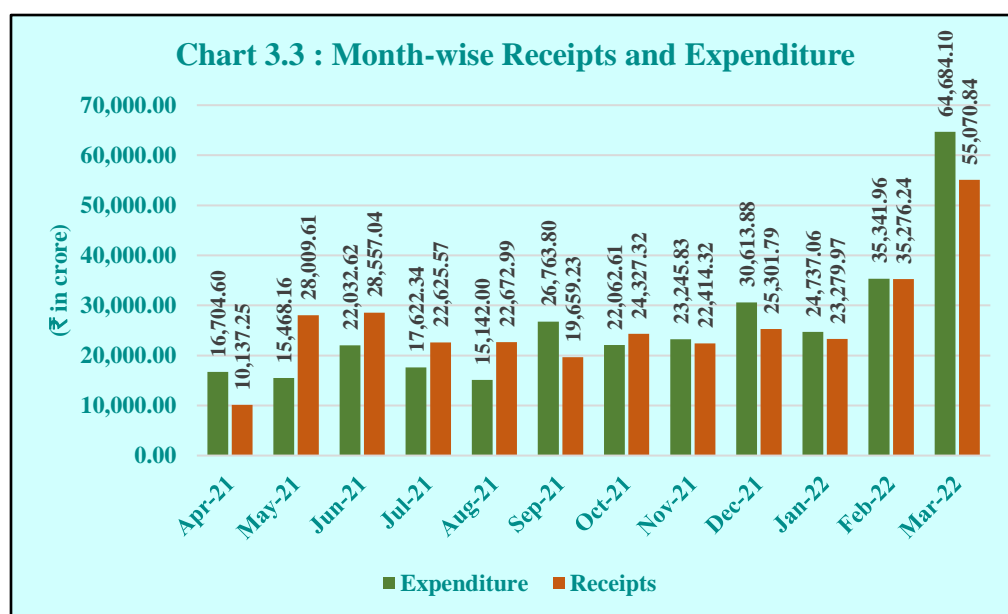
Table 3.13: Grants with more than 50 per cent of expenditure in March alone

(₹ in crore)

SL.No	Grant No.	Description	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.	04	Adi-Dravidar and Tribal Welfare Department	319.16	271.09	280.40	1,575.91	2,446.57	1,414.66	57.82
2.	27	Industries Department	8.69	876.76	34.95	1,324.63	2,245.04	1,269.37	56.54
3.	31	Information Technology Department	1.41	3.22	5.02	61.59	71.24	43.17	60.60
Total							4,762.85	2,727.20	57.26

(Source: Compilation from VLC data)

The following **Chart 3.3** showing the monthly receipts and expenditure during the year 2021-22 is given below:



(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 during the period 2017-18 to 2021-22 are given in **Table 3.14** below.

Table 3.14: Details of Contingency Fund advances sanctioned (2017-18 to 2021-22)

Year	Sanction of CFA		Utilisation of CFA		Percentage of utilisation	
	No.	Amount (₹ in crore)	No.	Amount (₹ in crore)	No.	Amount
2017-18	46	50.78	43	42.12	93	83
2018-19	35	64.15	33	46.95	94	73
2019-20	30	40.01	27	33.69	90	84
2020-21	20	55.10	16	31.61	80	57
2021-22	04	17.15	03	12.26	75	71

(Source: Government Orders)

Details of CF orders issued during the year, and the amount of expenditure incurred as at the end of the year is given in **Table 3.15** below.

Table 3.15: Details of Contingency Fund advances sanctioned during the year

CF Order No.	Date of Issue of Government order	Head of Account & Nomenclature	Provision as per CF order (In ₹)	Amount utilised out of CF as reported by AG (A&E) (In ₹)
1	G. O. Rt. No. 269 dated 21-04-2021	2014.00.800.JE (Support for Mediation and Conciliation Centre in ADR Centre)	1,00,00,000	1,00,00,000
2	G. O. Rt. No. 672 dated 18-10-2021	2235.02.103.MD (Grants to Tamil Nadu Working Women's Hostels Corporation for construction work)	1,00,00,000	--
			(-) 1,00,00,000	Cancellation of CFA issued. G. O. Rt. No. 4 dated 03/01/2022
3	G. O. Rt. No. 693 dated 28-10-2021	2235.01.105.AC (Refugees relief measures)	7,14,54,000	3,26,27,000
			(-) 3,88,27,000	Cancellation of CFA issued. G. O. Rt. No. 44 dated 19/01/2022
4	G. O. Rt. No. 749 dated 20-11-2021	2852.07.101.AP (Implementation of e-office in Secretariat)	8,00,00,000	8,00,00,000
Total			12,26,27,000	12,26,27,000

From the above table, it can be noticed that in two cases, the CF sanctioned was cancelled (one partially and one fully). It is also pertinent to note that expenditure for 'Implementation of e-office in Secretariat' cannot be classified as expenditure of emergency nature. The basis of election of expenses for the contingency fund advance is sought from the department and reply awaited.

The CF sanctioned for construction of working women's hostel was cancelled due to administrative reasons. Cancellation of CFs imply the fact that the amounts sanctioned were not required immediate spending.

On being pointed out by Audit, Government replied (December 2022) that partial/full un-utilisation would be rectified from next year onwards.

3.6 Gender Budgeting

The State Government presented a Gender Budget Statement as a part of annual budget document from the year 2018-19 onwards. The Gender Budget Statement depicts the probable outlay for women in the total budget. The State Government discloses the expenditure proposed to be incurred within the overall budget on schemes which are designed to benefit women fully or partially and classified the statement into three categories viz., Part A, Part B and Part C with a total budget provision (Original) of ₹ 88,298.87 crore.

- Part A includes schemes which has 100 *per cent* of the outlay towards women, Part B includes schemes has 40 *per cent* to 99 *per cent* of outlay which benefit women and Part C includes other schemes and other expenditure which are not beneficiary oriented were grouped sector-wise and the Government assumed that at least 30 *per cent* of the outlay will benefit women under this category.
- The total number of schemes under Part A, B and C in 2021-22 were 411, of which 86 schemes were under Part A, 302 schemes under Part B and 23 schemes under Part C.
- Out of ₹ 5,206.28 crore (5.90 *per cent*) allocated towards 86 Part A schemes, 83.70 *per cent* (₹ 4,357.79 crore) was towards Social Welfare and Nutrition Sector for which huge outlay was provided under Maternity Assistance Schemes, Destitute Widow Pension Scheme and Marriage Assistance Schemes.
- Education, Sports and Culture, Social Welfare and Nutrition, Agriculture, Food Security under General Economic Services, Rural Development, Water supply, Sanitation, Housing and Urban Development, Welfare of SC/ST/BC/MBC & Minorities and Health & Family Welfare had major allocations under Part B category for which a total amount of ₹ 36,191.16 crore (40.99 *per cent*) budget allocation was made during the year.

3.7 Review of selected Grants

Based on persistent savings for the past five years and a considerable amount of savings in 2021-22, 'Grant Number 04-Adi-Dravidar & Tribal Welfare Department and 'Grant Number 13 - Food and Consumer Protection (Co-operation, Food and Consumer Protection Department)' were selected for detailed review of procedures and expenditure control mechanism.

Test check disclosed deficiencies in the budgetary process, as discussed in the succeeding paragraphs.

3.7.1 Grant Number 4 – Adi-Dravidar and Tribal Welfare Department

The Adi-Dravidar and Tribal Welfare Department has been implementing various welfare schemes for the Adi-Dravidar and Tribal people through District Adi-Dravidar and Tribal Welfare Officer in each district.

3.7.1.1 Allocation and Expenditure

A summary of actual expenditure *vis-à-vis* original/supplementary provisions made during the year 2021-22 is given in **Table 3.16** below.

Table 3.16: Details of Budget Provision and Actual Expenditure under Grant No. 4

(₹ in crore)

	Nature of expenditure	Original	Supplementary	Total	Expenditure	Savings(-)/Excess (+)	Percentage of savings	Amount surrendered
Voted	I Revenue	3,717.03	0.00*	3,717.03	2,218.77	(-) 1,498.26	40.31	1,489.74
	II Capital	404.89	0.00**	404.89	227.08	(-) 177.81	43.92	177.72
	III Loan	0.40	0.14	0.54	0.54	0.00	0.00	0.00
Total Voted (A)		4,122.32	0.14	4,122.46	2,446.39	(-) 1,676.07	40.66	1,667.46
Charged	IV Revenue	20.02	0.01	20.03	17.30	(-) 2.73	13.63	3.42
Total Charged (B)		20.02	0.01	20.03	17.30	(-) 2.73	13.63	3.42
Grand Total (A+B)		4,142.34	0.15	4,142.49	2,463.69	(-) 1,678.80	40.53	1,670.88

* ₹ 25,000

** ₹ 1,000

(Source: Appropriation Accounts for the year 2021-22)

From **Table 3.16**, though the final saving in the Grant is ₹ 1,678.80 crore, the amount surrendered was ₹ 1,670.88 crore only by the way of re-appropriation. The overall savings was 40.53 *per cent* of the provision indicating poor budgeting. Overall savings compared to provision during the past 5 years is shown in **Table 3.17**:

Table 3.17: Last 5 years allocation and savings

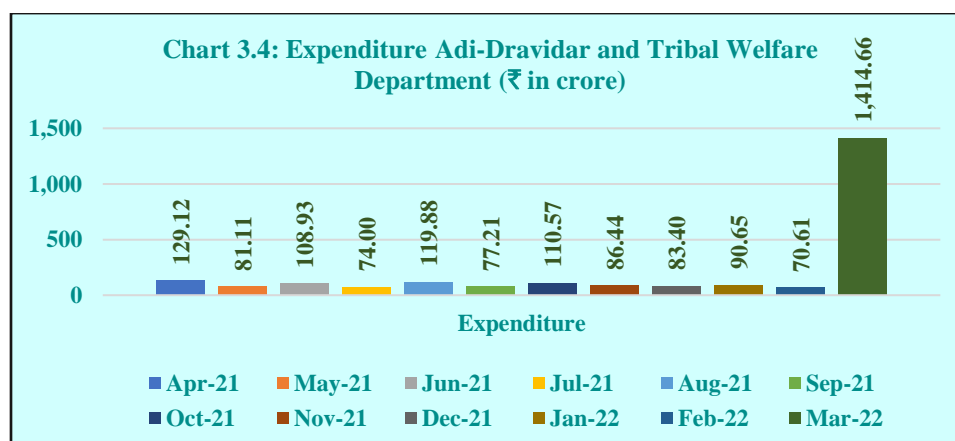
(₹ in crore)

Year	Total grant	Expenditure	Saving	Percentage of saving
2017-18	3,283.44	2,986.48	(-) 296.96	9.04
2018-19	3,577.80	3,355.36	(-) 222.45	6.22
2019-20	3,828.65	3,600.05	(-) 228.60	5.97
2020-21	4,143.16	3,725.99	(-) 417.17	10.07
2021-22	4,142.49	2,463.69	(-) 1,678.80	40.53

(Source: Appropriation Accounts for the respective years)

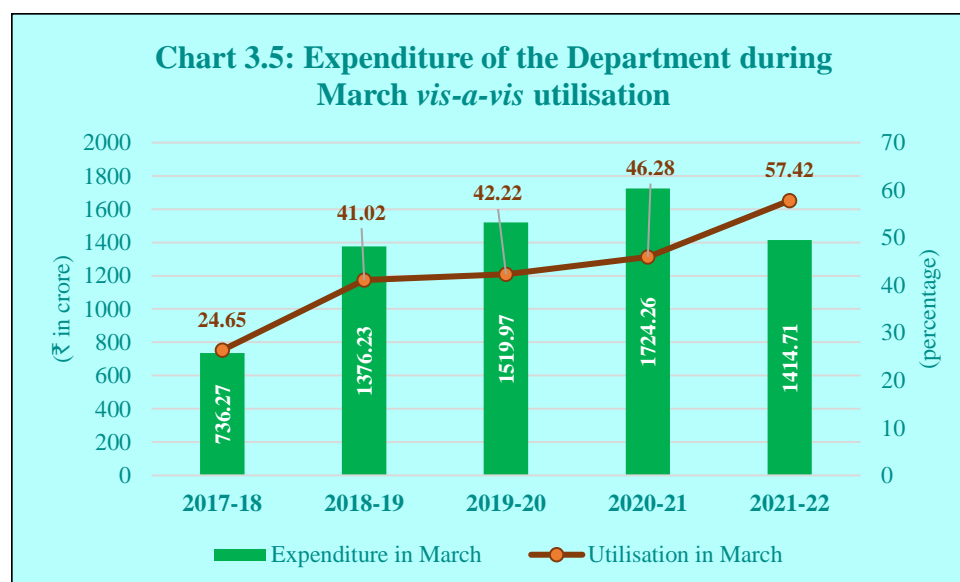
This indicates that the department has persistent savings ranged from 5.97 to 40.53 *per cent* of budget provision during the five year period.

The Adi-Dravidar and Tribal Welfare Department expended 57.82 *per cent* of the total expenditure only in March 2022. The month wise details of expenditure by the Department is given in **Chart 3.4**.



(Source: Compilation from VLC data)

From the **Chart 3.5** below it can be noticed that the percentage of expenditure during March as against the total expenditure of the Grant was on an increasing trend during the period 2017-18 to 2021-22, indicating a rush of expenditure during March so as to avoid surrender.



(Source: Compilation from VLC data)

3.7.1.2 Persistent savings

During 2021-22, there was a saving of 43.91 per cent in the Grant under Capital Section. During the five year period 2017-22, the Department had persistent savings ranging between 28.15 per cent and 62.64 per cent of the total grant as given in **Table 3.18** below.

Table 3.18: Year-wise allocation and savings under Capital section*(₹ in crore)*

Year	Total grant	Expenditure incurred	Saving	Amount surrendered	Percentage of saving
2017-18	229.01	85.55	(-) 143.46	(-) 142.71	62.64
2018-19	150.50	74.59	(-) 75.90	(-) 75.84	50.43
2019-20	134.03	91.47	(-) 42.55	(-) 23.72	31.75
2020-21	369.28	265.32	(-) 103.95	(-) 100.87	28.15
2021-22	404.89	227.08	(-) 177.81	(-) 177.72	43.91

(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.

On further scrutiny, it was noticed that savings occurred persistently under the following Revenue and Capital Heads of Accounts as detailed in **Table 3.19**.

Table 3.19: Details of Persistent savings under the Heads of Account

Sl. No.	Head of Account with Nomenclature	Amount of Savings (₹ in lakh)				
		2017-18	2018-19	2019-20	2020-21	2021-22
1.	2225.01.277.AG (V) - Award of Prizes to Adi-dravidar welfare schools	24.36 (29.92)	44.01 (54.06)	34.31 (42.14)	67.66 (83.11)	62.89 (100.00)
2.	2225.01.277.JY (V) - Special incentive scheme to promote literacy among scheduled caste girls studying VI standard to VIII standard	375.27 (9.85)	266.21 (6.99)	250.72 (7.29)	517.33 (15.05)	666.72 (19.61)
3.	2225.01.277.KH (V) - Abroad Scholarship to Scheduled Caste/Scheduled Tribe Students for higher studies	..	30.00 (100.00)	30.00 (100.00)	30.60 (100.00)	530.60 (100.00)
4.	2225.01.277.KL (V) - Assistance to SC / ST / SC converts to Christianity for Higher Educational Special Scholarship Scheme	473.90 (17.91)	793.20 (29.98)	1,414.93 (54.01)	1,222.92 (67.94)	557.73 (46.48)
5.	2225.01.277.KQ (V) - Special coaching to students studying in Standard IX to XII in Adi Dravidar Welfare High Schools and Higher Secondary Schools	11.27 (11.65)	12.93 (13.37)	5.37 (5.55)	95.97 (99.23)	40.98 (42.37)
6.	2225.01.277.KS (V) - Educational Assistance for Meritorious Adi-Dravidar / Tribal Students to study in reputed schools	228.98 (15.27)	237.23 (15.82)	152.42 (10.16)	894.28 (59.62)	723.99 (48.27)
7.	2225.01.277.LA (V) - Scheme for Coaching to Scheduled Caste and Scheduled Tribes students for Common Admission Test (CAT)	50.00 (100.00)	50.00 (100.00)	50.00 (100.00)	50.00 (100.00)	50.00 (100.00)
8.	2225.01.793.SB (V) - Implementation of Economic Development Programmes under Scheduled Castes Sub Plan (SCSP)	2,885.77 (21.38)	4,667.00 (34.57)	4,608.11 (34.13)	1,788.72 (13.25)	5,202.91 (38.54)
9.	2225.01.800.JI (V) - Scheme for provision of Pathways and Burial grounds	75.53 (99.59)	28.70 (37.85)	5.02 (6.61)	57.53 (75.86)	64.12 (84.55)
10.	2225.02.277.AF (V) - Maintenance of Tribal Hostels	235.78 (41.59)	304.79 (46.64)	710.72 (66.81)	337.78 (52.12)	285.18 (28.02)
11.	2225.02.277.AR (V) - Payment to the Teachers working under Sarva Siksha Abiyan Scheme(SSA)	1.85 (6.49)	4.08 (11.85)	47.75 (65.35)	29.01 (56.92)	3.84 (14.41)

Sl. No.	Head of Account with Nomenclature	Amount of Savings (₹ in lakh)				
		2017-18	2018-19	2019-20	2020-21	2021-22
12.	2225.02.277.AW (V) - Opening and maintenance of Tribal Residential schools	117.28 (13.68)	131.43 (13.38)	903.22 (50.35)	351.03 (29.73)	0.37 (7.44)
13.	2225.02.277.KE (V) - Special coaching to students studying in Standard IX to XII in Government Tribal High Schools and Higher Secondary Schools	2.85 (5.82)	7.97 (15.41)	4.36 (9.21)	43.67 (99.86)	43.73 (100.00)
14.	2225.02.282.AA (V) - Mobile Medical Units and Dispensaries	52.14 (100.00)	48.23 (76.29)	94.09 (70.60)	12.67 (26.98)	2.93 (6.13)
15.	2225.02.796.AD (V) - Dispersed Tribal Group	50.34 (95.12)	24.66 (41.59)	44.76 (43.23)	9.79 (15.68)	20.94 (33.91)
16.	4225.01.277.JN (V) - Upgrading infrastructure facilities in the Schools of Adi-Dravidar and Tribal Welfare Department with loan assistance of NABARD under RIDF	3,999.88 (80.00)	3,563.13 (71.26)	10,000.00 (100.00)	7,671.65 (57.96)	5,561.43 (46.35)

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

(Source: Detailed Appropriation Accounts for the respective years)

3.7.1.3 Savings over Final Modified Grant

Scrutiny of records revealed that under the following Schemes there were huge savings at the end of the year even after withdrawal of amounts through re-appropriation as shown in **Table 3.20**.

Table 3.20: Savings over Final Modified Grant

(₹ in crore)

Sl. No.	Head of Account and Description	Total Provision	Re-appropriation	Final Modified Grant (FMG)	Expenditure	Savings on FMG
1.	2225.01.001.AC (V) - Headquarters Staff - Adi-Dravidar Welfare Department	7.10	0.00	7.10	6.91	(-) 0.19
2.	2225.01.277.AA (V) – School Education	534.77	(-) 26.58	508.19	484.25	(-) 23.94
3.	2225.01.277.KM (V) – Educational Concessions	878.59	(-) 358.06	520.53	520.43	(-) 0.10
4.	2225.01.277.KX (V) - Opening of Adi-Dravidar Welfare ITI and Hostel	1.85	2.69	4.54	4.43	(-) 0.11
5.	2225.01.277.JX (V) - Special Incentive Scheme to promote literacy among scheduled caste girls studying in standard III to V	11.31	(-) 1.79	9.51	9.29	(-) 0.22
6.	2225.01.277.JY (V) - Special incentive scheme to promote literacy among scheduled caste girls studying VI standard to VIII standard	34.00	(-) 6.37	27.63	27.33	(-) 0.30
7.	2225.01.800.BI (V) – Payment for funeral rites	9.95	0.00	9.95	9.24	(-) 0.71
8.	2225.02.277.SA (V) - Government of India Post-Matric Scholarships	34.83	(-) 0.21	34.62	34.50	(-) 0.12
9.	2235.01.200.UA (V) - Assistance to the people of Scheduled Caste / Scheduled Tribe Community affected by riots	15.00	0.00	15.00	14.61	(-) 0.39
10.	4225.01.277.JA (V) - Construction of Hostels for Scheduled Castes	21.00	10.76	31.76	30.52	(-) 1.24

(Source: Detailed Appropriation Accounts)

3.7.1.4 Expenditure incurred in excess of Final Modified Grant (FMG)

Scrutiny of records revealed that under the following Schemes the expenditure incurred was in excess of ₹ 10 lakh over the Final Modified Grant as shown in **Table 3.21**.

Table 3.21: Expenditure in excess of Final Modified Grant

(₹ in crore)

Sl. No.	Head of Account and Description	Total Provision (O+S)	Re-appropriation	Final Modified Grant (FMG)	Expenditure	Excess over FMG
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	2225.01.283.JA - House sites / Infrastructure facilities for Adi-Dravidars (Rev-Charged)	20.00	(-) 3.42	16.58	17.27	0.69
2.	2225.01.277.AE – Hostels (Rev-Voted)	324.29	(-) 75.24	249.05	253.76	4.71
3.	2225.02.277.AA-Schools (Rev-Voted)	132.64	(-) 32.07	100.57	111.29	10.72
4.	2225.80.001.AA - District Staff - Adi-Dravidar and Tribal Welfare Department (Rev-Voted)	53.34	2.00	55.34	55.97	0.63
5.	2225.01.277.KW - Financial assistance to the Adi-Dravidar / Scheduled Tribe students pursuing Ph.d. (Rev-Voted)	16.00	(-) 10.38	5.62	6.00	0.38
6.	2225.02.277.AF - Maintenance of Tribal Hostels (Rev-Voted)	10.17	(-) 3.22	6.95	7.32	0.37
7.	2225.02.277.JY - Upgradation of Tribal Residential Middle/High Schools into High/Higher Secondary Schools (Rev-Voted)	11.34	(-) 1.10	10.24	10.47	0.23
8.	2225.02.277.SE - Pre Matric Scholarship for Scheduled Tribe students (Rev-Voted)	4.10	0.00	4.10	4.29	0.19
9.	2225.02.277.AY - Tribal Welfare Industrial Training Institutes (Rev-Voted)	7.75	(-) 0.69	7.06	7.22	0.16
10.	2225.02.001.AB - Establishment of Vigilance Cell (Rev-Voted)	1.43	(-) 0.32	1.11	1.26	0.15
11.	4225.02.800.AB – Basic Infrastructural Improvement in Tribal Habitations (Capital – Voted)	130.00	(-) 43.26	86.74	87.90	1.15

Analysis of reasons for a major excess of ₹ 10.72 crore over the FMG (Sl. No. 3 of Table 3.21) disclosed that the expenditure pertained mainly to salaries. The failure to accurately assess the requirement under a salary head, which is susceptible to accurate estimation, indicated lack of due diligence in budgeting.

3.7.1.5 Withdrawal of entire provision through re-appropriation

In the following schemes shown below in **Table 3.22**, the entire amount given through Original and Supplementary provisions were withdrawn through re-appropriation.

Table 3.22: Withdrawal of entire provision through re-appropriation

(₹ in lakh)

Sl. No.	Head of Account and Description	Provision (O+S)	Re-appropriation
1.	2225.01.277.AG - Award of Prizes to Adi-dravidar welfare schools	62.89	(-) 62.89
2.	2225.01.277.BD - Compensation to Government Aided Polytechnics / Engineering Colleges	164.06	(-) 164.06
3.	2225.01.277.BE - Scouts and Guides Movement	22.48	(-) 22.48
4.	2225.01.277.BY - Counselling and creating awareness among Girl students and their mothers in Adi-Dravidar Welfare Hostels and High Schools / Higher Secondary Schools	19.84	(-) 19.84
5.	2225.01.277.KH - Abroad Scholarship to Scheduled Caste/Scheduled Tribe Students for higher studies	530.60	(-) 530.60
6.	2225.01.277.KJ - Free Supply of Bicycles to all girl students belonging to Scheduled Caste / Scheduled Tribes / Scheduled Caste Converts to Christianity studying in Standard XI and XII in the Government / Government Aided Higher Secondary Schools	3,653.35	(-) 3,653.35
7.	2225.01.277.KO - Free Supply of Bicycles to all boy students belonging to Scheduled Castes / Scheduled Tribes / Scheduled Caste converts to Christianity studying in Std XI and XII in the Government / Government Aided Higher Secondary Schools	2,886.70	(-) 2,886.70
8.	2225.01.277.LA - Scheme for Coaching to Scheduled Caste and Scheduled Tribes students for Common Admission Test (CAT)	50.00	(-) 50.00
9.	2225.01.277.LB - Formation of Centre of Excellence in Academic and Centre of Excellence in Sports to Scheduled Castes students studying in High / Higher Secondary Schools	19.54	(-) 19.54
10.	2225.02.277.BF - Financial assistance to the Scheduled Tribe students pursuing Ph.d.	12.50	(-) 12.50
11.	2225.02.277.BK - Scouts and Guides Movement	6.00	(-) 6.00
12.	2225.02.277.BQ - Counselling and creating awareness among Girl students and their mothers in Tribal Welfare Hostels and High Schools / Higher Secondary Schools	2.76	(-) 2.76
13.	2225.02.277.KE - Special coaching to students studying in Standard IX to XII in Government Tribal High Schools and Higher Secondary Schools	43.73	(-) 43.73
14.	2225.02.794.SA - Welfare Schemes for Scheduled Tribes in Integrated Rural Development Project Blocks under Tribal Sub-Plan	651.00	(-) 651.00
15.	2225.02.794.SB - Development of Particularly Vulnerable Tribes - Funds released by the GOI under Art.275(i) of the Constitution of India	1,700.00	(-) 1,700.00
16.	4225.01.277.AB - Upgradation of Adi-Dravidar Welfare Hostels	2,500.00	(-) 2,500.00
17.	4225.01.793.SA - Infrastructure Development in Scheduled Castes dominated blocks / villages under Scheduled Castes Sub Plan	800.00	(-) 800.00
18.	4225.01.800.JA - Construction of Community Halls	1,449.01	(-) 1,449.01
19.	4225.02.277.KC - Upgrading infrastructure facilities in the Schools of Adi-Dravidar and Tribal Welfare Department with loan assistance of NABARD under RIDF	302.34	(-) 302.34
	Total	14,876.80	(-) 14,876.80

(Source: Detailed Appropriation Accounts)

Through examination of records and the replies furnished by the Directorate of Adi-draavidar and Tribal Welfare (ADTW), Audit found that

- ₹ 65.40 crore provided in the budget for procurement of bi-cycle (Sl.No. 6 and 7) for eligible students but withdrawn through re-appropriation. Audit found that Directorate of Backward Class and Welfare Department submitted a proposal for administrative sanction in July 2021. But, due to administrative delays, GoTN accorded approval only in November 2021. There were further delays in calling for tenders as the purchase committee took three months to finalise the specifications. The tender was called for only in March 2022. As a result of these delays, the budget provision was withdrawn through re-appropriation.
- In respect of Sl. no. 14 and 15, the budget provision of ₹ 23.51 crore was withdrawn due to non-submission of UCs by GoTN and delay in uploading the data in GoI portal. As GoI had not released the funds for the scheme, Audit found that GoTN withdrew the budget provision through re-appropriation.
- Rupees 14.49 crore was provided for construction of community hall (Sl. No. 18). Due to delay in identification of suitable site for construction of community hall, the budget provision was withdrawn.

3.7.1.6 Rush of expenditure under the Tribal Welfare department

On scrutiny of the Budget Review party, in respect of Sl.No.5 and 6 mentioned under **Appendix 3.13 - Rush of expenditure** it is observed that

- In respect of Sl.No.5 – under the ‘Head of Account 2225.02.277.BH’, the department sent proposals in October 2021 for the release of funds. Government released the funds during March 2022 only, resulting in rush of expenditure.
- In respect of Sl.No.6 – under the ‘Head of Account 2225.02.277.SD’, a sum of ₹ 19.67 crore was transferred to Single Nodal Account (SNA) on 31.03.2022 to avoid surrender of funds.

3.7.2 Grant Number 13 – Food and Consumer Protection (Co-operation, Food and Consumer Protection Department)

Civil Supplies and Consumer Protection Department headed by the Commissioner at the State level has been playing an important role in the formulation and implementation of Public Distribution System related policies in the State. The Department is also enforcing the provisions of Essential Commodities Act, 1955 and Control Orders issued thereunder. Besides, it also plays a vital role in creation of awareness among public as well as the student community about Consumer Rights and Legal Provisions available under Consumer Protection Act, 2019.

The Principal Secretary to Government of Tamil Nadu, Food and Consumer Protection Department (FCPD) is the administrative head. The field

formations are headed by the Commissioner of Civil Supplies and Consumer Protection Department and the Registrar, State Consumer Disputes Redressal Commission. The field Chief Controlling Officers (CCOs) viz. Commissioner (Civil Supplies and Consumer Protection Department) and Registrar (State Consumer Disputes Redressal Commission) were selected for review under this department. The salient points noticed are enumerated below:

3.7.2.1 Allocation and Expenditure

A summary of actual expenditure vis-à-vis original/supplementary provisions made during the year 2021-22 is given in **Table 3.23** below.

Table 3.23: Details of Budget Provision and Actual Expenditure under Grant No. 13

(₹ in crore)

	Nature of expenditure	Original	Supplementary	Total	Expenditure	Savings(-)/Excess (+)	Percentage of savings	Amount surrendered
Voted	I Revenue	8,617.87	1,020.26	9,638.13	9,547.86	(-) 90.27	0.94	(-) 90.25
	II Capital	867.64	0.00*	867.64	93.58	(-) 774.06	89.21	(-) 774.05
	III Loan	0.00**	0.00	0.00	0.00	0.00	0.00	0.00
Total Voted (A)		9,485.51	1,020.26	10,505.77	9,641.44	(-) 864.33	8.23	(-) 864.30
Charged	IV Revenue	0.00***	0.00	0.00	0.00	0.00	0.00	0.00
Total Charged (B)		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total (A+B)		9,485.51	1,020.26	10,505.77	9,641.44	(-) 864.33	8.23	(-) 864.30

* ₹2,000 token provision ** ₹1,000 token provision *** ₹4,000 token provision
(Source: Appropriation Accounts for the year 2021-22)

Though the ultimate saving in the Grant during the year was ₹ 864.33 crore, the amount surrendered was ₹ 864.30 crore only. The overall savings was 8.23 per cent of the provision. Overall savings compared to provision during the past 5 years is shown in **Table 3.24**:

Table 3.24: Last 5 years allocation and savings

(₹ in crore)

Year	Total grant	Expenditure	Saving	Percentage of saving
2017-18	6,524.36	6,430.84	(-) 93.52	1.43
2018-19	8,420.62	8,316.91	(-) 103.71	1.23
2019-20	9,016.24	8,747.24	(-) 269.01	2.98
2020-21	10,540.82	9,915.04	(-) 625.78	5.94
2021-22	10,505.76	9,641.43	(-) 864.33	8.23

(Source: Appropriation Accounts for the respective years)

This indicates that the department has persistent savings ranged from 1.23 to 8.23 per cent of budget provision during the five year period.

3.7.2.2 Persistent Savings

During 2021-22, there was a saving of 89.21 per cent in the Grant under Capital Section. During the five year period 2017-22, the Department had

persistent savings ranging between 32.16 *per cent* and 97.12 *per cent* of the total grant as given in **Table 3.25** below.

Table 3.25: Year-wise allocation and savings under Capital section

(₹ in crore)

Year	Total grant	Expenditure incurred	Saving	Amount surrendered	Percentage of saving
2017-18	286.89	194.61	(-) 92.28	(-) 92.46	32.16
2018-19	214.80	145.30	(-) 69.50	(-) 69.63	32.36
2019-20	483.81	213.09	(-) 270.72	(-) 270.79	55.96
2020-21	361.40	10.41	(-) 350.99	(-) 351.04	97.12
2021-22	867.64	93.58	(-) 774.06	(-) 774.05	89.21

(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.

On further scrutiny, it was noticed that savings occurred mainly under the following Revenue and Capital Heads of Accounts persistently as detailed in **Table 3.26**.

Table 3.26: Details of Persistent savings under the Heads of Account

Sl. No.	Head of Account with Nomenclature	Amount of Savings (₹ in lakh)				
		2017-18	2018-19	2019-20	2020-21	2021-22
1.	2235.60.200.JO (V) - Implementation of Annapurna Scheme	394.55 (89.20)	201.75 (82.71)	8.87 (18.57)	9.63 (20.16)	14.63 (30.63)
2.	2235.60.789.JB (V) - Implementation of Annapurna Scheme under Special Component Plan	92.72 (83.83)	22.85 (66.31)	3.46 (19.36)	4.77 (26.68)	5.72 (31.99)
3.	3456.00.001.AA (V) - Headquarters	121.29 (16.55)	186.65 (23.94)	192.52 (18.91)	136.89 (17.56)	228.75 (25.38)
4.	3456.00.102.AA (V) - City Distribution Organisation	210.77 (13.40)	376.65 (19.86)	188.44 (10.14)	248.36 (13.65)	362.17 (17.09)
5.	4408.02.800.JA (V) - Construction of Godowns with Loan assistance from NABARD	8,525.00 (33.62)	6,936.02 (38.43)	23,660.01 (53.29)	33,009.01 (97.06)	75,826.01 (89.17)
6.	4408.02.800.JB (V) - Construction of Godowns using Silo-Technology with the Loan Assistance from NABARD	1,462.00 (50.00)	..	3,200.00 (100.00)	1,600.00 (100.00)	1,600.00 (100.00)

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

(Source: Detailed Appropriation Accounts for the respective years)

An amount of ₹ 758.26 crore (89.17 *per cent*) withdrawn under the HoA '4408.02.800.JA - Construction of Godowns with Loan assistance from NABARD' (Sl. No. 5) was due to delay in finalisation of tender/commencement of work and litigation of land acquisition issues.

The amount provided for the Construction of Godowns using Silo Technology (Sl. No. 6) was withdrawn completely in the past three years under the HoA '4408.02.800.JB'. On being pointed out, the department attributed the withdrawal to change of location, administrative and technical reasons. It also further stated (September 2022) that the project had been dropped during

the year 2022-23. Audit observed that the huge amount of savings each year could have been avoided by providing token provision for the project and re-appropriating funds at the appropriate time.

To conclude, in both the Grants, persistent savings, savings over FMG, withdrawal of entire provision, etc., were noticed, mainly due to delay in issue of administrative sanction, delay in finalisation of tender, non-availability of land and laxity in accurate estimation of salary. These cases as pointed out in the above Grants Review are indicative in nature. The Government should proactively look for similar instances in other grants too and take immediate corrective measures in view of fiscal prudence in the State.

3.8 Conclusion and recommendations

Expenditure incurred without authority of law

In respect of 15 cases, a total expenditure of ₹ 37.93 crore was incurred without FMA. No provision was made either in the original or supplementary or at re-appropriation stage. In 6 cases, a total expenditure of ₹ 2.26 crore was incurred without appropriation by the Legislature either in the Original or Supplementary estimates.

Recommendation: *Government should fix responsibility for this lapse and implement the budget module controls in IFHRMS.*

(Paragraphs 3.3.1.1 and 3.3.1.2)

Unnecessary Supplementary grant/re-appropriations

Supplementary provisions of ₹ 50 lakh or more in each case aggregating ₹ 242.64 crore obtained in 59 cases, during the year 2021-22 proved unnecessary as the original provisions itself was not exhausted. Further, in respect of 26 Heads of Account, though an amount of ₹ 1,366 crore was available (Original and Supplementary), an additional amount of ₹ 53.00 crore was provided at re-appropriation stage which was unnecessary as the total expenditure in these cases were only ₹ 1,253.15 crore and well within the earlier provisions made. This indicates not only laxity on part of the Controlling Officers to make such provisions but also is indicative of an overall poor budgetary management by the Government.

Recommendation: *Government should make concerted efforts to ensure that instances of unnecessary supplementary provisions are avoided.*

(Paragraphs 3.3.4 & 3.3.5)

Unspent amount, surrendered appropriations and persistent savings

In 42 cases, there were savings of above ₹ 100 crore amounting to ₹ 28,723.33 crore across various grants.

Surrenders to the tune of ₹ 18,140.29 crore were made during 24 March 2022 and ₹ 11,739.35 crore on 31 March 2022. Out of ₹ 11,739.35 crore surrendered on the last day (31 March 2022), 92 cases amounting to ₹ 12,387.29 crore were in excess of over ₹ 10 crore, indicating inadequate financial control.

Under 24 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 92 *per cent* under capital section during all the past five years in Grant 16 -Finance Department.

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

(Paragraphs 3.3.6.1, 3.3.6.2 and 3.3.6.4)

Excess expenditure and its regularisation

During the year, excess disbursements over grants/appropriations were made for ₹ 5.24 crore. This expenditure needs to be regularised. Besides, excess expenditure of ₹ 2,848.83 crore relating to 2014-21 was yet to be regularised.

Recommendation: *Government should view excess expenditure over legislative approval seriously, hold accountable those responsible for it and regularise all such excess expenditure through due process.*

(Paragraphs 3.3.7.1 and 3.3.7.2)

Rush of expenditure

An amount of ₹ 14,247.45 crore under 124 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 2022 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: *Government should institute appropriate control mechanism to avoid last minute surrender as well as rush of expenditure. It should implement the Business Intelligence module of IFHRMS, for continuous monitoring of the progress of expenditure.*

(Paragraph 3.4.2)

CHAPTER – 4

**QUALITY OF
ACCOUNTS AND
FINANCIAL REPORTING
PRACTICES**

CHAPTER 4

QUALITY OF ACCOUNTS & FINANCIAL REPORTING PRACTICES

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

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

4.1 Funds outside Consolidated Fund or Public Account of State

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

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

4.1.1 Tax on electricity kept outside consolidated fund of the state

Non/short-realisation of Electricity Tax by the State Government from TANGEDCO and the amount being retained by TANGEDCO for a period of four years is fraught with the risk of suspected temporary misappropriation. Non-realisation of the dues in Government account is also one of the contributing factors to Revenue Deficit of the State Government.

Under Section 3 of Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003, TANGEDCO (Licensee under the Act) is to collect the electricity tax along with energy charges and remit the tax into Government account. During 2018-22, Tamil Nadu Generation and Distribution Corporation (TANGEDCO) collected ₹ 5,039.44 crore as Electricity tax from consumers, but remitted only ₹ 740.30 crore and Government adjusted ₹ 772 crore out of the payments due to TANGEDCO. After the remittance and adjustments, the amount of electricity tax collected but not remitted into the consolidated fund as of 31 March 2022 stood at ₹ 3,527.13 crore (Table 4.1). GoTN has not made it mandatory to remit the tax amount at periodical intervals and adjustments were also not being carried

out regularly. The amount deposited into the Government account by TANGEDCO, was the adjustments against the loan receipts. Had the outstanding amount of ₹ 1,387.73 crore been credited in the Government accounts during the year 2021-22, the revenue deficit would have been lessened to that extent.

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

(₹ in crore)

Year	Amount collected	Amount deposited into Government account	Amount yet to be credited
2018-19	1,283.52	1,283.52	--
2019-20	1,266.10	228.79	1,037.31
2020-21	1,102.09	--	1,102.09
2021-22	1,387.73	--	1,387.73
Total	5,039.44	1,512.31	3,527.13

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

From the table above, it is evident that 70 *per cent* of the tax collected during the period 2018-22 were not credited to the Government Accounts and were kept with TANGEDCO. The possibility of the amount being expended by TANGEDCO for its own operational expenditure cannot be ruled out. Such non-remittance to the Government account and retaining the collected tax for such a long period is fraught with the risk of suspected temporary misappropriation. This calls for fixing of responsibility of the concerned officials of both Government and TANGEDCO.

In the exit conference, ACS (Finance) stated that the matter would be taken up with TNEB.

4.2 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).

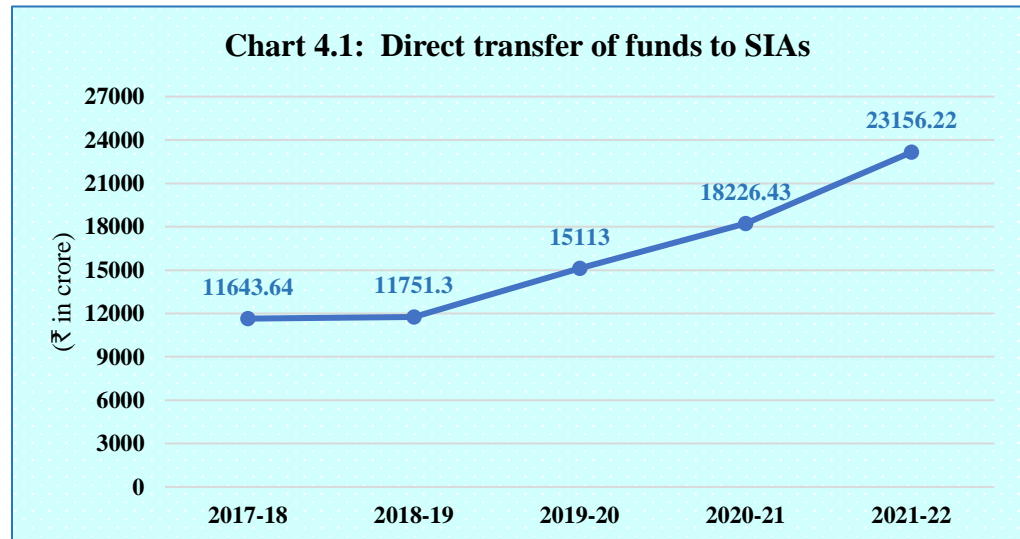
During the year 2021-22, the interest payments made in the MH 2049-60-101 (Interest on deposits) for discharging the liabilities under MH 8338 and MH 8342 as per the State Finance Accounts was ₹ 220.71 crore which worked out to 0.39 *per cent* of the deposits available under MH 8338 and MH 8342 (₹ 55,956.42 crore). Further, provisions made to the tune of ₹ 26.19 crore under the Heads of Account '2049-60-101' was entirely withdrawn by re-appropriation during the year, thereby deferring the discharge of interest liabilities towards these deposits (details in **Appendix 3.6**)

4.3 Funds transferred directly to State Implementing Agencies (SIAs)

Government of India (GoI) transfers substantial funds directly to State Implementing Agencies¹ (SIAs) for implementation of various schemes and Programmes. The details of Funds transferred by GoI 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 State Finance Accounts. Since these funds are not routed through the State Budget/State Treasury System, State Finance Accounts do not capture the flow of these funds or the related expenditure.

During the year 2021-22, GoI transferred ₹ 23,156.22 crore directly to the SIAs implementing various Central schemes / programmes.

The direct transfer of funds to implementing agencies has shown an increasing trend during the period 2017-22 as given in **Chart 4.1**.



(Source: State Finance Accounts)

The details of agencies that received funds of more than ₹ 100 crore during the year 2021-22 are detailed in **Table 4.2**.

An amount of ₹ 23,156.22 crore was directly transferred by GoI to the SIAs during 2021-22, registering a substantial increase of ₹ 4,929.79 crore (27 per cent) over the previous year. There was an increasing trend in the last five years.

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.

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

Sl. No	Schemes of Government of India	Implementing Agency	Amount released by GoI during 2021-22 (₹ in crore)
(1)	(2)	(3)	(4)
1	Mahatma Gandhi National Rural Guarantee Program	State Employment Guarantee Fund, Tamil Nadu	7,403.61
2	Food subsidy for decentralised procurement of food grains under NFSA	Tamil Nadu Civil Supplies Corporation Limited (TNCSCCL)	6,250.93
3	Payment for indigenous urea	Madras Fertilizers Limited (MFL) and SPIC	2,877.96
4	Pradhan Manthri Kissan Samman Nidhi	Department of Agriculture	2,261.14
5	Payment for Indigenous P and K Fertilizers	Green Star fertilisers Limited	1,007.33
6	Metro Projects	Equity Capital In Respect of Chennai Metro	935.78
7	Member of Parliament Local Area Development Scheme (MPLAD)	District Collectors of Various Districts	211.50
8	Universal Services Obligation Fund (USOF)- Compensation to Service Providers for creation and augmentation of telecom infrastructure	BSNL, STP	155.46
9	Scheme for providing assistance to Sugar Mills	Bannari Amman Sugars Limited E.I.D pary Ltd	148.14
10	Assistance to State Agencies for intra-state movement of foodgrains and FPS dealers margin under NFSA	Tamil Nadu Civil Supplies Corporation Limited	131.65
11	Scheme for Assistance to Sugar Mills for 2019-20 Season	Banari Amman Sugars Limited, E.I.D	130.02
12	National AIDS and STD Control Programme	Tamil Nadu State AIDS Control Society (TNSACSPF)	116.86
13	Indian Leather Development Programme (ILDPA)	Central Leather Research Institute	106.83

(Source: State Finance Accounts)

As these funds were not routed through the State Budget/State Treasury System, the Annual Finance Accounts did not capture these funds flow and to that extent, the State's receipts and expenditure as well as other fiscal variables/parameters derived from them did not present the complete picture.

4.4 Delay in furnishing of Utilisation Certificates

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

It was however noticed that 34 UCs for ₹ 803.29 crore were outstanding as per the Finance Accounts 2021-22. The Department wise break-up of outstanding UCs is given in **Appendix 4.1** and the year-wise analysis of delays in submission of UCs is summarised in **Table 4.3**.

Table 4.3: Year wise break up of outstanding UCs

Year	No of UCs	Amount (₹ in crore)	Defaulting Departments
Upto 2019-20	9	72.62	Commissionerate of Municipal Administration (1 No. - ₹ 3.41 crore) Commissionerate of Industries and Commerce (3 No.s - ₹ 21.98 crore) Directorate of Town and County Planning (1 No. - ₹ 21.00 crore) Directorate of Employment and Training (3 No.s - ₹ 20.00 crore) Directorate of Medical Education (1 No. - ₹ 6.24 crore)
2020-21	8	82.26	Directorate of Rural Development and Panchayati Raj (2 No.s - ₹ 7.50 crore) Chennai Metropolitan Water Supply and Sewerage Board (1 No.s - ₹ 6.27 crore) Commissionerate of Municipal Administration (2 No.s - ₹ 54.74 crore) Commissionerate of Industries and Commerce (3 No.s - ₹ 13.75 crore)
2021-22	17	648.41	Directorate of Rural Development and Panchayat Raj (8 item - ₹ 427.50 crore) Chennai Metropolitan Water Supply and Sewerage Board (1 item - ₹ 172.89 crore) Tamil Nadu Agricultural University, Coimbatore (1 item - ₹ 40.98 crore) Commissionerate of Industries and Commerce (2 item - ₹ 3.08 crore) Tamil Nadu Veterinary and Animal Science University (1 item - ₹ 2.32 crore) Registrar of Co-operative Society (3 item - ₹ 0.92 crore) Directorate of Agriculture (1 item - ₹ 0.72 crore)
Total	34	803.29	

(Source: NTA of Finance Accounts)

Out of the pending UCs for the year 2021-22, Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB) is yet to submit UC for “Viability gap support for Desalination Plant at Chennai” scheme for an amount of ₹172.89 crore. On scrutiny of the same by Audit in CMWSSB, it was stated that UC for an amount of ₹ 134.70 crore was submitted on August 2022. In Directorate of Rural Development and Panchayat Raj, UC for an amount of ₹ 420 crore is yet to be submitted for the scheme Solar Power Green House and on scrutiny of the same by Audit, it was stated that UC for an amount of ₹ 210 crore was submitted on June 2022.

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.

The pendency of UCs was fraught with the risk of misappropriation of funds and fraud. Timely submission of UCs should not only be insisted upon but also ensured.

4.5 Recording of Grantee Institution as “Others”

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

As per State Finance Accounts 2021-22 of GoTN, GIA constituted 28.03 *per cent* of the total expenditure of the State and during the year, out of the total GIA of ₹ 82,585.60 crore, an amount of ₹ 66,856 crore (80.95 *per cent*) was disbursed to grantee institutions of type “Others”, where “Others” means various Government Departments excluding the GIA given to ‘Local Bodies’.

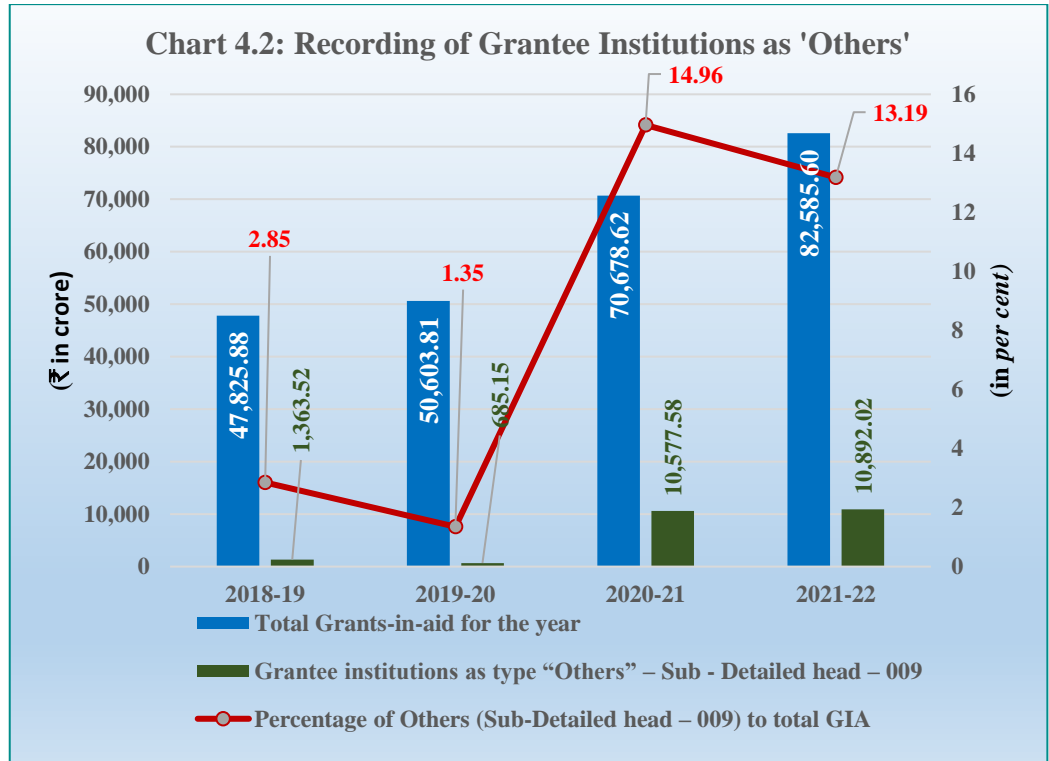
Out of the total GIA of ₹ 82,585.60 crore during 2021-22, ₹ 10,892.02 crore (13.19 *per cent*) was shown as disbursed to Grantee Institutions of type “Others” (detailed head code – 090, sub-detailed head code - 009). This adversely affects the transparency of accounts and monitoring of UCs against these GIA. Further scrutiny revealed that GIA of an amount of ₹ 8,392.76 crore provided for “Livelihood support to tackle COVID-19 lockdown - cash support to Rice family cardholders” was also classified under “Others”. The trend of percentage of GIA from the year 2018-19 to 2021-22 under type “Others” to total GIA for the last three years is shown in **Table 4.4** and **Chart 4.2**.

Table 4.4: Grants-in-Aid disbursed to Institutions of type “Others” during 2018-22

(₹ in crore)

Sl. No	Particulars	2018-19	2019-20	2020-21	2021-22
1	Total Grants-in-aid for the year	47,825.88	50,603.81	70,678.62	82,585.60
2	Grantee institutions as type “Others” [Detailed Head – 090] as per Statement 10 of Finance Accounts (FA)	35,933.85	38,401.04	57,883.95	66,855.79
3	Grantee institutions as type “Others” – Sub - Detailed head – 009	1,363.52	685.15	10,577.58	10,892.02
4	Percentage of Others (Sub-Detailed head – 009) to total GIA	2.85	1.35	14.96	13.19

(Source: State Finance Accounts)



(Source: State Finance Accounts)

4.6 Non-Adjustment of Temporary Advances

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

It was noticed that there were 1,649 number of temporary advances amounting to ₹ 317.81 crore drawn by various DDOs under Article 99 of Tamil Nadu Financial Code, Vol. I, which remained unadjusted as on 31 March 2022. The unadjusted amount includes those with a period of pendency for over 10 years. Out of the above, 278 items amounting to ₹ 162.93 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 TAs amounting to ₹ 317.81 crore, the Director of Integrated Child Development and Service have not submitted settlement bills amounting to ₹ 86.74 crore (27.29 per cent) and Judicial Department have not submitted settlement bills for ₹ 63.87 crore (20.10 per cent).

The issue of non-adjustment of temporary advance has been raised in the State Finance Audit Report regularly. The issue has since been addressed and the number of temporary advances pending for adjustment decreased from

2,076 in 2020-21 to 1,649 in 2021-22. And the unadjusted amount decreased from ₹ 612.26 crore in 2020-21 to ₹ 317.81 crore in 2021-22.

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

Table 4.5: Age-wise analysis of advances pending

Sl. No	Pendency	Number of Advances	Amount (₹ in crore)
1	More than 10 years	5	0.99
2	More than 5 years and less than 10 years	9	14.36
3	More than 1 year but less than 5 years	264	147.58
4	Less than one year	1,371	154.88
Total		1,649	317.81

(Source: State 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. This also calls for fixing responsibility on the respective defaulting DDOs. In the Exit Conference, Government stated that it would examine the issue of pending Temporary Advances.

4.7 Personal Deposit Accounts

As per the provisions contained under Article 269 of Tamil Nadu Financial Code Volume - I, the Government is authorised to open Personal Deposit (PD) Accounts where money is deposited to be utilised 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 2021, 68 accounts amounting to ₹ 1,153.30 crore under the Major Head 8443 Civil Deposits, Minor Head 106 – AA – Personal Deposits were not closed. During 2021-22, an amount of ₹ 1,272.21 crore (46 accounts) was transferred to PD accounts out of the Consolidated Fund of the State. Out of the total 114 accounts (including the 68 accounts not closed during the previous year), 109 PD accounts amounting to ₹ 1,271.62 crore was closed, leaving a balance of ₹ 1,153.89 crore in 5 accounts as on 31 March 2022.

Though, there were no inoperative PD accounts during the year, non-closure of PD Accounts created by debiting service head led to depiction of inflated expenditure under the related service head.

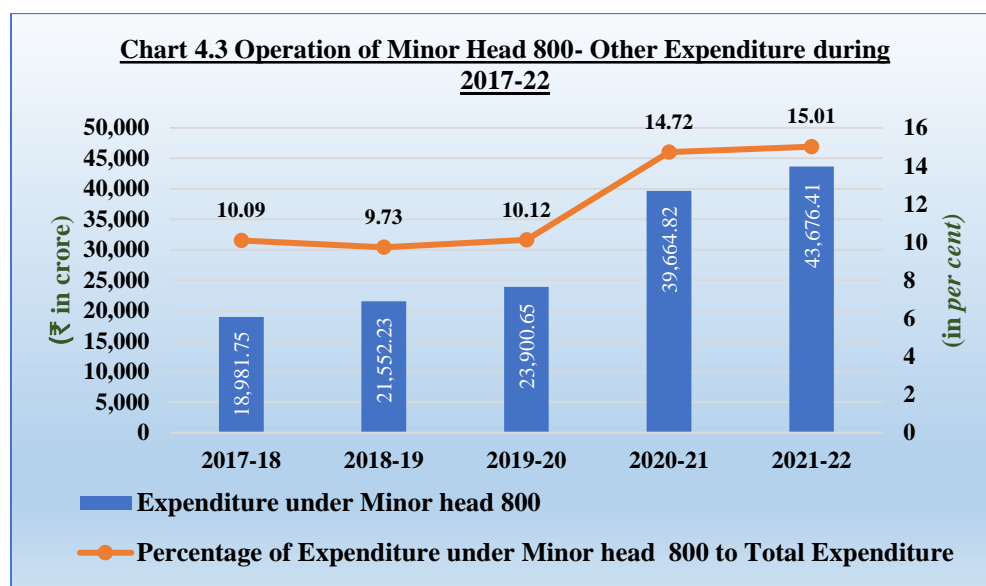
In the Exit Conference, the Government had stated that except one PD account, all accounts were closed on 31 March 2022 and the remaining one PD account was also closed on November 2022.

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 2021-22, an expenditure amounting to ₹ 43,676.41 crore (15.01 *per cent* of the total expenditure of ₹ 2,91,041.20 crore) under the Revenue and Capital sections was classified under the minor head ‘800 - Other Expenditure’.

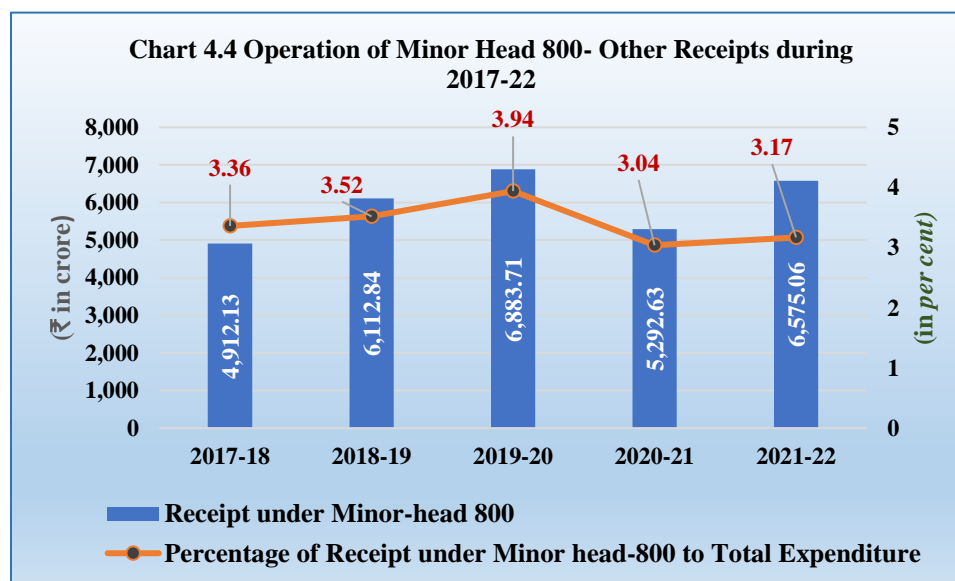
Audit scrutiny revealed that under 12 Major Heads the expenditure booked under the minor head 800 exceeded 50 *per cent* of the total expenditure of the respective Major heads is detailed in **Appendix 4.2**. Further, it is also observed that under Major head 4700-Capital Outlay on Major irrigation, an amount of ₹ 2,131.46 crore was booked under Minor head 800 as against a total expenditure of ₹ 2,131.46 crore (100.00 *per cent*), in Major head 2425 – Co-operation, an amount of ₹ 6,151.46 crore was booked under Minor head 800 as against a total expenditure of ₹ 7,321.13 crore (84.02 *per cent*) and in Major head 2245 - Relief of Natural Calamities, an amount of ₹ 9,282.99 crore was booked under Minor head 800 as against a total expenditure of ₹ 9,704.44 crore (95.66 *per cent*). The extent of operation of Minor Head-800 for Other Expenditure, as a percentage of Total Expenditure during 2017-22 is given in **Chart 4.3** below.



Source: Finance Accounts of respective years, Government of Tamil Nadu.

As seen from **Chart 4.3** above, there has been large scale operation of Minor Head- 800 for Other Expenditure, with its share in total expenditure ranging from 10 *per cent* to 15 *per cent* during the period 2017-22.

The extent of operation of Minor Head-800 for Other Receipt, as a percentage of Total Receipt during 2017-22 is given in **Chart 4.5** below.



Source: Finance Accounts of respective years, Government of Tamil Nadu.

As seen from the **above Chart 4.4**, the operation of Minor Head 800-Other Receipts has been lower as compared the use of this Head in expenditure side and ranged between 3.49 *per cent* of total receipts in 2017-18 to 3.17 *per cent* of total receipts during 2021-22. Analysis revealed that out of the amount of ₹ 2,07,492.40 crore received during the year 2021-22, receipts amounting to ₹ 6,575.06 crore was booked under the Minor Head '800- Other Receipts' which works out to 3.17 *per cent* of the total receipts during the year.

Instances where 50 *per cent* or more and significant amount of receipts booked under minor head ‘800’ are detailed in **Appendix 4.3**.

Though the issue of classification of the receipts/ expenditure under Minor Head 800 – Other Receipts/ Expenditure had been continuously reported in the previous State Finance Audit Reports (SFAR), there has been little improvement. The fact that such substantial proportions of the receipts/ expenditure under the concerned Major Head are booked under Minor Head 800 is a cause for concern, since it adversely impacts transparency in financial reporting.

4.9 Outstanding balances under Suspense and Debt, Deposit and Remittance (DDR) heads

Annexure to Statement 21 of the State 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 (A&E) and the various separate Pay and Accounts Officers (PAO) of Government of India. These involve transactions that mainly relate to the payments made by the State Government to Central Government Civil Pensioners. On clearance/settlement of this, the cash balance of the State Government will increase.

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 reimbursed. As the amount expended to the extent of ₹ 181.98 crore (Dr) had not been reimbursed to the State funds, the cash balance outstanding as on 31 March 2022 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 2021-22, out of 155/213 CCOs for receipts/expenditure in the State, only 76/104 CCOs had fully reconciled the figures respectively. A further trend analysis for the past three years revealed that the percentage of non-reconciliation has been on the increasing trend as detailed in **Table 4.6** below:

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

Year	Total No. of Controlling Officers	CCOs fully reconciled	CCOs not fully reconciled	% of Non-reconciliation
Receipts				
2017-18	160	74	86	53.75
2018-19	153	78	75	49.02
2019-20	156	62	94	60.26
2020-21	151	105	46	30.46
2021-22	155	76	79	50.97
Expenditure				
2017-18	212	129	83	39.15
2018-19	214	134	80	37.38
2019-20	210	99	111	52.86
2020-21	211	174	37	17.54
2021-22	213	104	109	51.17

(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 not yet reached the loanee entities completely upto 2021-22, the repayment of principal and payment of interest had been recorded under the old loan heads which, in turn, projected excess receipts under old heads and non-receipts under new heads. Hence, the details on arrears on repayment of principal and interest is yet to be reconciled.

Failure to exercise/adhere to the codal provisions and executive instructions in non-reconciliation not only results in misclassification and incorrect booking of receipts and expenditure in the accounts, but also defeats the very objective of budgetary process.

In the Exit conference, the ACS (Finance) stated that the issue would be looked into.

4.11 Reconciliation of Cash balances

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

While the principal 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 (A&E).

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

However, there was a sizeable net difference (₹ 159.61 crore) in the closing balance for the year 2021-22 between the cash balance as per books of accounts of the Accountant General and the cash balance as reported by the RBI. The details of differences in the Cash balance is given in **Table 4.7**.

Table 4.7: Differences in cash balances

Period	Debit difference		Credit difference	
	No. of items	₹ in Crore	No. of items	₹ in Crore
Upto 2016-17	655	3,997.27	870	4,246.54
2017-18	171	479.49	193	326.81
2018-19	97	448.86	165	865.05
2019-20	69	290.31	150	887.98
2020-21	96	1,186.58	163	548.91
2021-22	114	1,503.21	111	1,190.04
Total	1,202	7,905.72	1,652	8,065.33

(Source: Details furnished by Accountant General (A&E))

Analysis of such occurrences for the last five years revealed that the differences in cash balances were on an decreasing trend from 2019-20 to 2021-22 as shown in **Table 4.8** below.

Table 4.8: Trend of differences in cash balances

(₹ in crore)

Year	Cash balances as per books of AG (A&E)	Cash balances as reported by RBI	Difference
2016-17	305.55 (Cr.)	89.53 (Cr.)	395.08 (Cr.)
2017-18	81.18 (Cr.)	8.12 (Cr.)	89.30 (Cr.)
2018-19	459.88 (Cr.)	37.49 (Cr.)	497.37(Cr.)
2019-20	923.33 (Dr.)	2,067.49 (Cr.)	1,144.16 (Cr.)
2020-21	467.24 (Cr.)	5.70 (Cr.)	472.94 (Cr.)
2021-22	266.95 (Dr.)	426.56 (Cr.)	159.61 (Cr.)

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

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

4.12 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India, prescribe the form of accounts of the Union and of the States. The Comptroller and Auditor General of India set up a Government Accounting Standards Advisory Board (GASAB) in 2002, for formulating standards for government accounting and financial reporting, to enhance accountability mechanisms. On the advice of the Comptroller and Auditor General of India, the President of India has so far notified three Indian Government Accounting Standards (IGAS). The extent of non-compliance with the standards by the Government of Tamil Nadu in its financial statements for the year 2021-22 is given in **Table 4.9**.

Table 4.9: Compliance with Accounting Standards

Sl. No	Accounting Standards	Essence of IGAS	Compliance by State Government	Impact of deficiency
1	IGAS-1: Guarantees given by the Government – Disclosure requirements	This standard requires the Government to disclose the amount of guarantees (class and sector-wise) given during the year in its financial statements.	Complied	--
2	IGAS-2: Accounting and Classification of Grants-in- Aid	Grants-in-Aid are to be classified as, revenue expenditure in the accounts, even if it involves creation of assets. Grant-in-aid given in kind is required to be disclosed.	Complied	--
3	IGAS-3: Loans and Advances made by Government	Disclosures on loans and advances made by the Government.	Partly complied. The GoTN has restructured old loans given by the Government during 2018-19. Though the Statement 7 & 18 of the Finance Accounts on Loans and Advances given by the state Government have been prepared as per prescribed format of IGAS-3, the reconciliation of figures booked under the loan heads was not completed during 2021-22, subsequent to the restructuring of loans and advances given by the Government during the year 2018-19. Hence, details relating to the repayment of arrears of loan entities could not be included.	Disclosure requirements of Loans and Advances not met by the State Government

(Source: NTA – Finance Accounts)

4.13 Audit of Bodies/Authorities under section 19(3) and 20(1) of CAG's DPC Act - Non entrustment of audit despite request

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

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

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

- 1) Certification/Compliance Audit of the Commissions of Protection of Child Rights was to be taken up by CAG (April 2019). However, the Commission has failed to prepare the annual accounts in the mandated format from 2012-13 onwards. Despite issue of repeated reminders to intimate the status of preparation and submission of the Annual Accounts of the Commission, Audit could not be carried-out due to the non-compilation of annual accounts as prescribed by the C&AG. Hence certification audit of annual accounts could not be carried out.
- 2) Scrutiny of records revealed that Jeevan Blood Bank and Research Centre (JBBRS) was granted ₹ 9 crore to collect, process, test type and to store 3000 cord blood donations over the period of three years to cure thalassemia and blood cancer disease patients in Tamil Nadu. The Secretary to Government, Finance Department had stated (July 2013) the JBBRS shall be open to Audit. Since JBBRS is registered under "Public Charitable Trust", which is a private body not within the sole audit jurisdiction of C&AG, it was supposed to be taken up for Audit under section 20(1) of the DPC Act, 1971 as it envisages that that President or the Governor of a State/administrator of a UT having a Legislative Assembly, as the case may be, undertake the audit of the accounts of such bodies or authority on such terms and conditions as may be agreed upon between him and concerned Government and shall

have, for the purpose of such audit, right of access to the books and accounts of that body. Based on the above the Secretary to Government, Health and Family Welfare Department was requested (March 2017, Oct 2018, May 2020) to facilitate the Audit. Despite repeated requests from Audit, the audit could not be taken up since the approval of the Governor had not been received as on 31 March 2022.

4.14 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 217 Institutions/Bodies due upto 2021-22 were not received (August 2022) by Audit from the heads of department. The details are given in **Appendix 4.4** and their age-wise pendency is presented in **Table 4.10**.

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

Sl. No.	Delay in number of years	No. of Institutions
1	Upto one year	68
2	More than one year and upto three years	75
3	More than three years and upto five years	18
4	Five years and above	56
	Total	217

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

The major defaulters were educational institutions receiving Government grants for salaries, maintenance, etc. The delay in finalisation of accounts would hamper Audit in providing an assurance to the Legislature that the grants were being utilised for the intended objective.

In the exit conference, the Deputy Secretary (Finance) stated that instructions would be issued to Heads of the Departments (HODs) to furnish the Annual Accounts within the specified time.

4.15 Departmental Commercial Undertakings/Corporations/Companies

According to Section 394 and 395 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM). As soon as may be after such preparation, the Annual Report should be laid before the State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG.

The Certification Audit for the year 2021-22 of Public Sector Undertakings (PSUs) has not been commenced as on November 2022. The details of arrears of accounts for the year ending March 2022 is listed in **Table 4.11** below:

Table 4.11: Details of arrears of PSUs/Companies

Particulars	Nos.
Total No. of PSUs (including Power Sector)	85
Accounts submitted during the year 2021-22	76
Accounts finalised during 2021-22	73
Number of previous year's accounts finalised during 2021-22	9
Number of accounts not received.	15
Extent of arrears	2 years (2020-21 & 2021-22)

(Source: Data compiled by the Commercial Wing of Accountant General (Audit –I & II), Tamil Nadu)

Since the State Government had made investment in form of equity and loans in the PSUs whose accounts had been falling in arrears, the non-finalisation of accounts by these companies would lead to the Government investments remaining outside the oversight of Audit as well as the State Legislature thereby making them highly susceptible to instances of fraud and misappropriation. Further, the non-finalisation of Accounts by the Companies are also in violation of Sections 394 and 395 of the Companies Act.

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. It is recommended that Government shall fix responsibility on Chief Executive officers for letting the accounts fall into arrears.

4.16 Misappropriation, Losses and Thefts

Article 294 of the Tamil Nadu Financial Code.(Vol-I) 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 on 31 March 2022, 361 cases of misappropriation, shortages and theft involving a total amount of ₹ 14.53 crore, were pending disposal. The department-wise break-up of these are detailed in **Appendix 4.5**. The age-profile of the pending cases and the reasons for pendency are summarised in **Tables 4.12 and 4.13**.

Table 4.12: Age Profile of pending cases

Range in years	Number of cases	Amount involved (₹ in lakh)
0 – 5	36	219.17
6-10	6	46.38
11-15	30	359.95
16 - 20	31	268.62
21 and above	258	558.58
Total	361	1,452.70

(Source: Information furnished by Heads of Department)

Table 4.13: Reasons for pendency of the cases

Reasons for the pendency	Number of cases	Amount (₹ in crore)
Awaiting departmental and criminal investigation	152	6.33
Departmental action initiated but not finalised	115	4.71
Criminal proceedings finalised but recovery of the amount still pending	11	0.78
Awaiting orders for recovery or write off	68	0.88
Pending in Courts of law	15	1.83
Total	361	14.53

(Source: Information received from Heads of Department)

4.17 Follow up on State Finance Audit Report

The Public Accounts Committee had 15 sittings on SFAR from 2013-14 to 2021-22. As of September 2022, out of 180 paragraphs/reviews selected for discussion for the period 2008-09 to 2019-20 on the State Finance Audit Report of Tamil Nadu, 19 paragraphs/reviews have been discussed and 161 paragraphs/reviews are pending discussion.

4.18 Conclusion and recommendations

During the period 2018-22, 70 per cent of the tax collected were not credited to the Government Accounts and were retained with TANGEDCO. The possibility of the amount being expended by TANGEDCO for its operational purposes cannot be ruled out. Such non-realisation in the Government account and retaining the collected tax for such a long period is fraught with the risk of temporary misappropriation.

Recommendation: Responsibility should be fixed on both TANGEDCO and the Government for non/short realisation of Government taxes into the Government account. The Government should also immediately direct the TANGEDCO to remit all past dues arising out of Electricity Tax.

(Paragraph 4.1.1)

Non submission of UCs (₹ 803.29 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 were pending against Grants-in-Aid meant for capital expenditure.

The non-adjustment of Temporary Advances involving substantial amounts (₹ 317.81 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: Government should ensure that controlling officers adjust temporary advances and submit UCs in time and fix responsibility on those who fail to do so. Government should consider adopting suitably the Expenditure Advance Transfer (EAT) module of PFMS in its IFHRMS, to ensure timely adjustment of advances and submission of UCs.

(Paragraphs 4.4 and 4.6)

As of March 2022, 232 Accounts pertaining to PSUs/Bodies/Authorities were pending for finalization and the extent of arrears ranged between one year and more than five years.

Recommendation: The Government should fix responsibility on the concerned Chief Executive Officers for pendency of accounts.

(Paragraphs 4.14 & 4.15)

(C. NEDUNCHEZHIAN)

Principal Accountant General (Audit-I),
Tamil Nadu

Chennai
The 28 March 2023

Countersigned

(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India

New Delhi
The 29 March 2023

APPENDICES

Appendix 1.1
(Reference: Paragraph 1.1)
State Profile

A. General Data			
Sl. No.	Particulars		Figures
1	Area		1,30,058 sq.km.
2	Population		
	(a)	As per 2011 Census	7.21 crore
	(b)	in 2022	7.66 crore
3	(a)	Density of Population (as per 2001 Census) (All India Density = 325 persons per sq.km)	480 persons per sq.km.
	(b)	Density of Population (as per 2011 Census) (All India Density = 382 persons per sq.km)	555 persons per sq.km.
4	Population below poverty line* (BPL) (All India Average = 21.92 <i>per cent</i>)		11.28 <i>per cent</i>
5	Literacy** (as per 2011 Census) (All India Average = 73.00 <i>per cent</i>)		80.10 <i>per cent</i>
6	Infant mortality*** (per 1,000 live births) (All India Average (2019) = 30 per 1,000 live births)		13
7	Life Expectancy at birth**** (All India Average (2014-18) =69.40 years)		72.6
8	Gross State Domestic Product (GSDP) 2021-22 at current prices		₹ 20,65,436 crore
	Per capita GSDP CAGR (2012-13 to 2021-22)		9.71 <i>per cent</i>
9	GSDP CAGR* (2012-13 to 2021-22)	Tamil Nadu	10.30 <i>per cent</i>
10	Population and Decadal Growth (2012 to 2022****)	Tamil Nadu	5.49 <i>per cent</i>
B. Financial Data			
Particulars			
CAGR@		2020-21 to 2021-22	
		General States	Tamil Nadu
		(In <i>per cent</i>)	
a	of Revenue Receipts	25.60	19.20
b	of Own Tax Revenue	25.62	15.74
c	of Non Tax Revenue	45.46	16.26
d	of Total Expenditure	13.96	7.82
e	of Capital Expenditure	25.59	11.93
f	of Revenue Expenditure on Education	11.47	0.48
g	of Revenue Expenditure on Health	19.71	10.95
h	of Revenue Expenditure on Salaries and Wages	11.23	4.12
i	of Revenue Expenditure on Pension	11.88	(-) 2.95

* Ministry of Statistics and Programme Implementation (MoSPI)

** Census 2011

*** SRS Bulletin

**** SRS based Abridged Life Tables 2015-19

***** Population Projections by National Commission on population, Ministry of Health and Family Welfare.

@ 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	
<p>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:</p>	
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	
<p>The State Government enacted the Tamil Nadu Fiscal Responsibility Act, 2003 which was amended first to bring it in line with the requirements prescribed by the Twelfth Finance Commission followed by Thirteenth, Fourteenth and Fifteenth Finance Commissions to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term fiscal framework. The Act prescribed the following fiscal management targets:</p>	
(a)	Reduce the ratio of revenue deficit to revenue receipts every year by three to five <i>per cent</i> depending on the economic situation in that year beginning from financial year 2002-03 and eliminate revenue deficit by 2023-24 and adhere to it thereafter.
(b)	Maintain the ratio of fiscal deficit to GSDP as not more than three <i>per cent</i> by 31 March 2024 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 <i>per cent</i> during 2011-12; 24.80 <i>per cent</i> during 2012-13; 25.00 <i>per cent</i> during 2013-14; 25.20 <i>per cent</i> during 2014-15 and thereafter maintain such <i>per cent</i> as may be prescribed.
(c)	Cap outstanding guarantees within 100.00 <i>per cent</i> of revenue receipts of previous year or 10.00 <i>per cent</i> of GSDP, whichever is lower.

Appendix 2.1

(Reference: Paragraph 2.1)

Time series data on the State Government finances

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
Part A. Receipts					
1 Revenue Receipts	1,46,280 (37)	1,73,741 (38)	1,74,526 (34)	1,74,076 (28)	2,07,492 (33)
(i) Own Tax Revenue	93,737 (64)	1,05,534 (61)	1,07,462 (62)	1,06,153 (61)	1,22,866 (59)
State Goods and Service Tax (SGST)	24,589 (26)	38,533 (37)	38,376 (36)	37,942 (36)	45,276 (37)
Taxes on Agricultural Income	..	..	..	..	..
Taxes on Sales, Trade, etc.	46,356 (49)	42,701 (40)	44,515 (41)	43,489 (41)	48,668 (40)
State Excise	5,815 (6)	6,863 (7)	7,206 (7)	7,822 (7)	8,237 (7)
Taxes on Vehicles	5,363 (6)	5,573 (5)	5,675 (5)	4,561 (4)	5,627 (5)
Stamps and Registration fees	9,195 (10)	11,066 (10)	10,856 (10)	11,675 (11)	14,331 (12)
Land Revenue	152 (..)	178 (..)	258 (..)	211 (..)	205 (..)
Taxes on Goods and Passengers	900 (1)	3 (..)	11 (..)	2 (..)	12 (..)
Other Taxes	1,367 (2)	617 (1)	565 (1)	451 (..)	509 (..)
(ii) Non-Tax Revenue	10,764 (7)	14,200 (8)	12,888 (7)	10,422 (6)	12,117 (6)
(iii) State's share of Union taxes and duties	27,100 (19)	30,639 (18)	26,393 (15)	24,924 (14)	37,458 (18)
(iv) Grants-in-aid from Government of India	14,679 (10)	23,368 (13)	27,783 (16)	32,577 (19)	35,051 (17)
2 Miscellaneous Capital Receipts	2 (..)	..	..	..	..
3 Recoveries of Loans and Advances	8,472 (2)	6,913 (1)	5,384 (1)	5,245 (1)	5,355 (1)
4 Total Revenue and Non debt capital receipts (1+2+3)	1,54,754	1,80,654	1,79,910	1,79,321	2,12,847
5 Public Debt Receipts	45,722 (12)	47,936 (10)	66,774 (13)	1,02,867 (17)	1,04,485 ¹ (17)
Internal Debt (excluding Ways and Means Advances and Overdrafts)	42,969	45,596	64,784	91,997	90,843
Net transactions under Ways and Means Advances and Overdrafts	..	..	..	..	..
Loans and Advances from Government of India	2,753	2,340	1,990	10,870	13,642 ²
6 Total Receipts in the Consolidated Fund (4+5)	2,00,476	2,28,590	2,46,684	2,82,188	3,17,332
7 Contingency Fund Receipts	..	..	10	..	..
8 Public Account Receipts	1,95,989 (49)	2,34,439 (51)	2,61,483 (52)	3,36,178 (54)	3,98,157 (56)
9 Total Receipts of the State (6+7+8)	3,96,465	4,63,029	5,08,177	6,18,366	7,15,489
Part B. Expenditure/Disbursement					
10 Revenue Expenditure	1,67,874 (43)	1,97,200 (42)	2,10,435 (42)	2,36,402 (39)	2,54,030 (36)
General Services (including interest payments)	60,451	72,450	78,138	78,993	84,894
Social Services	59,790	70,202	73,999	89,805	88,749
Economic Services	36,162	39,669	42,610	51,808	60,898
Grants-in-aid and contributions	11,471	14,879	15,688	15,796	19,489
11 Capital Expenditure	20,203 (5)	24,311 (5)	25,632 (5)	33,067 (5)	37,011 (5)
Plan	..	..	..	..	..
Non Plan	..	..	..	..	..
General Services	847	858	1,064	936	780
Social Services	4,731	6,996	5,860	10,831	14,985
Economic Services	14,625	16,457	18,708	21,300	21,246
12 Disbursement of Loans and Advances	6,517 (2)	6,478 (1)	4,022 (1)	3,835 (1)	3,641 (1)
13 Total (10+11+12)	1,94,594	2,27,989	2,40,089	2,73,304	2,94,682
14 Repayments of Public Debt	8,991 (2)	15,064 (3)	17,866 (3)	16,228 (3)	19,737 (3)
Internal Debt (excluding Ways and Means Advances and Overdrafts)	8,035	13,881	16,510	14,874	18,385
Net transactions under Ways and Means Advances and Overdraft	..	..	..	..	..

¹ Effective Public Debt Receipts would be ₹ 96,390 crore as the Department of Expenditure, GoI decided that GST compensation of ₹ 8,095 crore given to State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

² Effective loans and advances would be ₹ 5,547 crore as the Department of Expenditure, GoI decided that GST compensation of ₹ 8,095 crore given to State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

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	2017-18	2018-19	2019-20	2020-21	2021-22
Loans and Advances from Government of India	956	1,183	1,356	1,354	1,352
15 Appropriation to Contingency Fund	..	..	..	..	..
16 Total disbursement out of Consolidated Fund (13+14+15)	2,03,585	2,43,053	2,57,955	2,89,532	3,14,419
17 Contingency Fund disbursements	..	10	..	..	..
18 Public Account disbursements	1,84,209 (48)	2,23,930 (48)	2,44,023 (49)	3,23,189 (53)	3,83,757 (55)
19 Total disbursement by the State (16+17+18)	3,87,794	4,66,993	5,01,978	6,12,721	6,98,176
Part C. Deficits/Surplus					
20 Revenue Deficit (1-10)	21,594	23,459	35,909	62,326	46,538
21 Fiscal Deficit (4-13)	39,840	47,335	60,179	93,983	81,835
22 Primary Deficit (21+23)	13,828	18,578	28,199	57,486	40,271
Part D. Other data					
23 Interest Payments (included in revenue expenditure)	26,012	28,757	31,980	36,497	41,564
24 Financial Assistance to Local Bodies, etc.,	40,631	47,826	50,604	70,679	82,586
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)	14,65,051	16,30,209	17,43,144	18,08,239	20,65,436
28 Outstanding Fiscal liabilities (year-end)	3,26,518	3,68,736	4,23,743	5,18,796	6,10,667³
29 Outstanding guarantees (year-end) (including interest)	36,131	44,163	47,319	65,659	91,975
30 Maximum amount guaranteed (year-end)	15,517	83,140	4,669	44,656	64,176
Part E: Fiscal Health Indicators					
I Resource Mobilisation					
31 Own Tax revenue/GSDP	6.40	6.47	6.16	5.87	5.95
32 Own Non-Tax Revenue/GSDP	0.73	0.87	0.74	0.58	0.59
33 Central Transfers/GSDP	1.85	1.88	1.51	1.38	1.81
II Expenditure Management					
34 Total Expenditure/GSDP	13.28	13.99	13.77	15.11	14.27
35 Total Expenditure/Revenue Receipts	133.03	131.22	137.57	157.00	142.02
36 Revenue Expenditure/Total Expenditure	86.27	86.50	87.65	86.50	86.20
37 Revenue Expenditure on Social Services/Total Expenditure	30.73	30.79	30.82	32.86	30.12
38 Revenue Expenditure on Economic Services/Total Expenditure	18.58	17.40	17.75	18.96	20.67
39 Capital Expenditure/Total Expenditure	10.38	10.66	10.68	12.10	12.56
40 Capital Expenditure on Social and Economic Services/Total Expenditure	9.95	10.29	10.23	11.76	12.29
III Management of Fiscal Imbalances					
41 Revenue deficit/GSDP	1.47	1.44	2.06	3.45	2.25
42 Fiscal deficit/GSDP	2.72	2.90	3.45	5.20	3.96
43 Primary Deficit/GSDP	0.94	1.14	1.62	3.18	1.95
44 Revenue Deficit/Fiscal Deficit	54.20	49.56	59.67	66.32	56.87
IV Management of Fiscal Liabilities					
45 Fiscal Liabilities/GSDP	22.29	22.62	24.31	28.35	28.87⁴
46 Fiscal Liabilities/RR	223.21	212.23	242.80	298.03	294.31
47 Debt Redemption (Principal +Interest)/Total Debt Receipts	67.05	82.14	66.73	45.89	52.89
V Other Fiscal Health Indicators					
48 Return on Investment	0.62	0.45	0.37	0.49	0.60
50 Financial Assets/Liabilities	0.83	0.79	0.76	0.66	0.64

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

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.

³ Effective outstanding fiscal liabilities would be ₹ 5,96,331 crore as the Department of Expenditure, GoI decided that GST compensation decided that GST compensation of ₹ 8,095 crore given in 2021-22 and ₹ 6,241 crore in 2021-22 to State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

⁴ The back-to-back loan ₹ 8,095 crore received during the year and ₹ 6,241 crore received during 2020-21 from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator.

Appendix 2.2
(Reference: Paragraph 2.4.2.1)

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

Sl. No	Major Head – Description	Expenditure (₹ in crore)
1	2075-00-800-JI - Corpus Fund for COVID-19 treatment in empaneled Hospitals under New Health Insurance Scheme for Employees	55.00
2	2075-00-800-JJ - Corpus Fund for inclusion and coverage of COVID -19 treatment under specified illness category under New Health Insurance Scheme 2021, for Employees and their eligible family members	1.00
3	2210-01-110-MJ - COVID-19 Management in Government Hospitals under the control of Directorate of Medical and Rural Health Services	14.35
4	2210-01-110-MK - COVID-19 Management in the Government Medical Institutions Management under the control of Directorate of Medical Education	135.48
5	2211-00-103-SI - COVID-19 - Emergency Response and Health System preparedness (ERSP) Under National Rural Health Mission	128.10
6	2235-02-102-KO - Maintenance grant to the children who lost parents due to COVID-19	0.85
7	2071-01-800-AO - Corpus Fund for COVID-19 treatment in empaneled Hospitals under New Health Insurance Scheme for Pensioners / Family Pensioners	25.00
8	2071-01-800-AP - Corpus Fund for inclusion and coverage of COVID -19 treatment under specified illness category under New Health Insurance Scheme 2018, for Pensioners / Family Pensioner	1.00
9	2245-80-800-AH - Disaster Preparedness / Preventive measures to contain the outbreak of Corona Virus (COVID -19)	830.57
10	2245-80-800-AJ - Livelihood support to tackle COVID-19 lockdown - cash support to Rice family cardholders	8,392.76
Total		9,584.11

(Source: Detailed Appropriation Accounts for the year 2021-22 & Finance Accounts)

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

Sl. No	Head of Account	Description	Recovery of Expenditure (in ₹)
1	2425.00.108.KD	Interest Subsidy to Co-operative Institutions towards reduced Interest for crop loans to the farmers	1,87,80,96,898
2	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	1,04,88,00,000
3	2204.00.104.KR	Grants to Sports Development Authority of Tamil Nadu for conducting Sports Competitions	90,40,14,998
4	2245.80.800.AH	Disaster Preparedness / Preventive measures to contain the outbreak of Corona Virus (Covid - 19)	55,58,33,764
5	2245.02.114.AA	Subsidy to Small and Marginal Farmers for Agricultural Inputs due to Flood	49,34,42,994
6	2217.80.01A.AG	Regional Town Planning	31,51,17,435
7	2049.60.101.AN (C)	Interest on Deposits of Handloom Weavers Savings and Security Scheme	25,88,70,786
8	2202.02.108.AA	Examinations conducted by the Director of Government Examinations	21,26,60,254
9	2250.00.800.JD	Supply of Laptop to Government ITI Students	20,03,13,000
10	2202.02.105.UA	Setting up of District Institute of Education and Training in Tamil Nadu	14,33,99,171
11	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	12,10,66,109
12	2041.00.800.AG	Implementation of Road Safety Programme	8,87,58,453
13	2210.01.200.PB	Tamil Nadu Health System Reform Project - Administrated by Director of Public Health	8,58,25,751
14	2245.80.800.AA	Assistance for undertaking immediate relief works in connection with Flood / Fire / Drought	7,27,46,733
15	2202.02.109.KT	Establishing Model School in Educational Districts	7,01,93,768
16	2435.01.101.AG	Establishment of e-Trading in Regulated Markets	6,76,79,000
17	2401.00.800.KL	Mission on sustainable Dry Land Farming	6,69,23,623
18	2217.01.001.AA	Transport and Traffic Studies for Class I Cities	6,43,80,835
19	2204.00.104.JW	Grants to Sports Development Authority of Tamil Nadu for Establishment of Sports Complex	6,31,23,211
20	2515.00.102.KJ	Clean Village Campaign	6,20,00,000
21	2015.00.106.AA	State Legislative Assembly	5,90,80,295
22	2852.07.800.JO	Grants to TNeGA towards IT Security Auditing of Government Websites and IT Applications	5,87,93,609
23	2225.01.190.JB	Compensation to Tamil Nadu Adi-Dravidar Housing and Development Corporation for waiver of margin money and interest	5,27,63,213
24	2202.05.102.AG	Grants to Madurai Ulaga Tamil Sangam	5,00,79,502
25	2250.00.789.JA	Supply of Laptop to Government ITI Students	4,45,21,000
26	2216.80.800.JC	Interest Subsidy to Housing Development Finance Corporation - House Building Advance to Government Servants	4,00,02,172
27	2225.01.277.SA	Educational Concessions	3,87,75,473
28	2415.03.277.AA	Grants to Tamil Nadu Veterinary and Animal Sciences University	3,08,22,573
29	2055.00.115.AA	Modernisation of Police Force	3,02,37,500
30	2236.02.101.SF	Integrated Child Development Services Scheme - Phase III	2,92,12,035
31	2055.00.001.AA	Director-General of Police	2,88,93,792
32	2405.00.101.PD	World Bank assisted scheme under Coastal Disaster Risk Reduction Project (CDRRP)	2,75,37,814
33	2236.02.102.KL	Puratchithalaivar MGR Nutritious Meal Programme for Children in the age group of 5 to 9	2,71,40,060
34	2217.80.001.AA	Director of Town Planning	2,66,37,678
35	2014.00.800.AL	Constitution of Tamil Nadu Judicial Academy	2,56,00,000

Sl. No	Head of Account	Description	Recovery of Expenditure (in ₹)
36	2401.00.793.UI	Tree Borne Oil Seeds Project under National Food Security Mission (NFSM) - Oilseeds and Oil Palm	2,37,16,564
37	2235.60.102.UA	Social Security Net - Indira Gandhi National Old Age Pension	2,31,47,237
38	2851.00.102.MV	Assistance to Private Industrial Estate	2,16,45,311
39	2236.02.101.UE	Strengthening and Restructuring of Integrated Child Development Services Scheme	2,10,36,399
40	2203.00.108.AA	Conduct of Examinations	2,08,28,374
41	2225.01.277.KM	Educational Concessions	2,01,70,853
42	2230.03.101.AA	Industrial Training Institutes	1,78,67,438
43	3054.01.001.AC	Executive Establishment (National Highways)	1,70,90,516
44	2205.00.102.AA	Encouragement of Artists and Men of Letters	1,69,07,180
45	2230.03.800.JB	Other Expenditure - Grants to Tamil Nadu Skill Development Corporation	1,67,24,826
46	2055.00.800.AE	Provision for the purchase of motor vehicles in the place of condemned vehicles	1,51,32,720
47	2852.07.101.AA	Provision of Free Internet in Government Schools	1,39,05,184
48	2250.00.800.AG	Repairs and Renovation of Wakf properties	1,36,75,000
49	2225.02.794.SE	Implementation of Action Plan for Tribal Research Centre in Udhagamandalam	1,33,20,000
50	2405.00.103.JY	Special allowance to fishermen during Non-fishing period	1,23,01,234
51	2702.02.005.AI	Setting up of an International Water Institute	1,08,49,068
52	2851.00.102.LN	Assistance to SSI for Technology Upgradation/ Modernisation of SSI Units	1,08,12,098
53	2236.02.101.JN	Tamil Nadu Integrated Child Development Services Scheme Phase-III	1,05,20,690
54	2225.01.277.JY	Special incentive scheme to promote literacy among scheduled caste girls studying VI standard to VIII standard	1,05,17,180
55	2202.05.102.AB	Grants to the International Institute of Tamil Studies, Chennai	1,02,70,422
		Total	7,66,37,81,793

(Source: Detailed Appropriation Accounts for the year 2021-22)

Appendix 2.4
(Reference: Paragraph 2.4.3.2)

‘Differences in balances between Statement 16 and Statement 19’

Sl. No	Head of Account / Investment in	Investment at the end of 31 March 2022 as per Statement 19	Investment at the end of 31 March 2022 as per Statement 16	Difference
1	4217-60-190 Investments in Chennai Metro Rail Limited	2,69,800.00	4,55,192.27	(-) 1,85,392.27
2	4225-01-190 Investments in Tamil Nadu Adi Dravidar Housing and Development Corporation	10,996.50	9,659.50	1,337.00
3	4406-01-190 Investment in Tamil Nadu Forest Plantation Corporation Limited	376.00	564.00	(-) 188.00
4	4407-03-190 Investments in Arasu Rubber Corporation Limited	845.00	1,307.00	(-) 462.00
5	4801-80-190 Investments in Tamil Nadu Power Finance and Infrastructure Development Corporation	5,000.00	3,76,700.00	(-) 3,71,700.00
6	4851-00-190 Investments in Tamil Nadu Small Industries Development Corporation Limited	870.00	2,514.00	(-) 1,644.00
7	4853-01-190 Investments in Tamil Nadu Minerals Limited	1,339.00	1,573.89	(-) 234.89
8	4860-04-190 Investments in Tamil Nadu Sugar Corporation Limited	13,349.58	21,824.37	(-) 8,474.79
9	4875-60-190 Investments in State Industries Promotion Corporation of Tamil Nadu Limited	5,791.25	11,417.51	(-) 5,626.26
10	4875-60-190 Investments in Tamil Nadu Cements Corporation Limited	3,741.80	11,131.80	(-) 7,390.00
11	5055-00-190 Investments’ in Metropolitan Transport Corporation (Chennai) Limited Chennai	86,006.39	89,290.15	(-) 3,283.76
12	5055-00-190 Investments in Tamil Nadu State Transport Developments Finance Corporation Limited	2,03,210.01	1,58,004.01	45,206.00
13	5055-00-190 Investments in Tamil Nadu State Transport Corporation (Villupuram) Limited	67,864.84	74,972.77	(-) 7,107.93
14	5055-00-190 Investments in Tamil Nadu State Transport Corporation (Madurai) Limited	85,451.55	71,281.11	14,170.44
15	5055-00-190 Investments in Tamil Nadu State Transport Corporation (Tirunelveli) Limited	74,366.47	65,637.22	8,729.25

Sl. No	Head of Account / Investment in	Investment at the end of 31 March 2022 as per Statement 19	Investment at the end of 31 March 2022 as per Statement 16	Difference
16	5055-00-190 Investments in Tamil Nadu State Transport Corporation (Coimbatore) Limited	97,402.51	74,972.38	22,430.13
17	5055-00-190 Investments in State Express Transport Corporation (Tamil Nadu) Limited Chennai	59,206.22	69,838.78	(-) 10,632.56
18	5452-80-190 Investments in Tamil Nadu Tourism Development Corporation Limited	892.74	1,042.74	(-) 150.00
19	4875-60-190 Tamil Nadu Industrial Investment Corporation	26,602.28	30,352.28	(-) 3,750.00
20	4225-03-190 Investment in Tamil Nadu Minorities Economic Development Corporation Limited	305.00	20,570.00	(-) 20,265.00
21	4215-02-190 Share Capital assistance to New Tiruppur Area Development Limited	15,000.00	12,371.79	2,628.21

Appendix 3.1
(Reference: Paragraph 3.3.1.1)

Expenditure incurred without Final Modified Appropriation

Sl. No.	Grant No.	Department	Head of Account	Description	Expenditure (in ₹)
	Revenue (Charged)				
1	51	Relief on Account of Natural Calamities	2245.02.111.AB	Ex-gratia Payment to Bereaved Family of the deceased	66,25,400
2	56	Debt Charges	2049.60.101.AB	Interest on Deposits of compensation from amounts received on account of Thanjavur and Salem District Board Railway Lines	1,34,074
3			2049.60.101.AJ	Interest on Municipal Employees Pension Fund	72,00,000
4			2049.60.701.AC	Interest on Insurance-cum-Retirement Special Scheme for unorganised Labour sector	16,636
	Revenue (Voted)				
5	11	Stamps and Registration (Commercial Taxes and Registration Department)	2030.01.102.AA	Sale of Court Fee Stamps	5,973
6	38	Public Department	2075.00.104.AD	'Kabir Puraskar Award' for promotion of communal harmony	14,994
7	41	Revenue and Disaster Management Department	2053.00.093.AJ	Conduct of mass contact programme	51,000
8			2053.00.094.FH	Establishment for acquisition of lands for Bye-Pass Road, Ring Road and Railway over bridge / under bridge in Vellore District	12,01,160
9	52	Department for the Welfare of Differently Abled Persons	2235.02.101.CL	Assistance to families with severely mentally retarded persons	10,000
	Capital (Voted)				
10	29	Tourism - Art And Culture (Tourism, Culture and Religious Endowments Department)	4202.04.106.KA	Establishment of Field Fossil Museum at Ariyalur	5,748
11	41	Revenue and Disaster Management Department	5053.02.102.AD	Expansion of Madurai Airport	34,50,58,000
12	44	Micro, Small and Medium Enterprises Department	4851.00.102.LG	Infrastructure support to Small Scale Industries Cluster	1,86,40,000
	Loan (Voted)				
13	16	Finance Department	7610.00.202.AB	Conveyance Advance to Government Servants in lieu of Government Vehicles(POCS)	32,000
14			7610.00.800.AE	Other Miscellaneous advances to Gazetted and other officers - Controlled by the Commissioner of Treasuries and Accounts	2,34,320
15			7610.00.800.AH	Loans to Government Servants for the purchase of TANSI items on Credit Basis - Controlled by the Commissioner of Treasuries and Accounts	25,000
Total					37,92,54,305

(Source: Detailed Appropriation Accounts for the year 2021-22)

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	Supple-mentary provision
(A) Revenue (Charged)						
1	03	2014.00.102.AI	Madurai Bench of Madras High Court at Madurai	5,450.39	4,988.64	256.44
(A) Revenue (Voted)						
2	03	2014.00.105.AD	Mofussil, Civil and Sessions Courts - Regular Establishments	14,172.76	12,795.13	308.29
3		2014.00.108.AA	Regular Establishments	20,749.08	19,682.87	1,019.54
4		2014.00.800.AJ	Constitution of State Legal Service Authority	2,468.22	2,062.07	307.96
5	10	2040.00.001.JB	Special Initiatives for E-Governance in Commercial Taxes Department	4,877.89	3,687.84	357.09
6		2040.00.101.AB	District Establishment	31,978.95	29,840.08	227.43
7	11	2030.03.001.AB	District Establishment Charges	21,945.07	19,909.33	176.09
8	15	3435.60.797.JC	Amount Transferred to State Level Environment Impact Assessment Authority	436.00	0.00	78.04
9		3435.60.797.JB	Amount Transferred to State Coastal Zone Development Fund	20.00	0.00	70.00
10		3451.00.090.AL	Environment and Forest Department	1,095.32	1,004.33	50.42
11	19	2210.01.110.AB	Taluk Headquarters Hospitals	52,062.05	51,495.03	605.45
12		2210.01.110.AW	Improvements to Teaching Hospitals	34,631.10	28,569.65	3,316.85
13		2210.01.110.AA	District Headquarters Hospitals	24,845.89	22,653.31	492.86
14		2210.01.110.EE	Payment to Contract Agencies for Outsourcing	20,462.34	18,808.25	586.56
15		2210.01.110.AJ	Rajiv Gandhi Government General Hospital, Chennai	15,421.11	13,385.76	138.58
16		2210.01.110.DN	Government Rajaji Hospital, Madurai	12,680.09	10,608.62	796.69
17		2210.01.110.AK	Government Stanley Hospital, Chennai	6,638.94	5,837.73	102.01
18		2210.01.110.DA	Government Medical College Hospital, Allinagaram at Theni	5,425.56	1,009.98	85.00
19		2210.01.110.AP	Kilpauk Medical College Hospital, Chennai	5,171.54	3,367.09	282.50
20		2210.01.110.DI	Government Coimbatore Medical College Hospital, Coimbatore	4,908.65	4,364.80	280.86
21		2210.01.110.PE	Tamil Nadu Health System Reform Project - Administrated by the Director of Medical Education	3,844.80	1,345.51	1,317.42
22		2210.01.110.DK	Government Kanyakumari Medical College Hospital, Kanyakumari	3,981.62	3,182.74	378.86
23		2210.01.110.AM	Government Hospital for Women and Children, Chennai	3,595.60	3,475.26	682.76
24		2210.01.110.DO	Thiruvavarur Government Medical College Hospital	3,567.18	3,560.20	224.00
25		2210.01.110.CY	Vellore Government Medical College Hospital, Vellore	3,022.78	2,606.05	63.24
26		2210.01.110.DE	Government Chengalpattu Medical College Hospital, Chengalpattu	2,713.03	2,405.50	71.24
27		2210.01.110.DD	Government Hospital for Thoracic Medicine, Tambaram	2,241.98	2,111.24	336.15
28		2210.01.110.MZ	Government Omandurar Medical College Hospital, Omandurar Government Estate, Chennai	2,356.40	329.94	182.16

Sl. No.	Grant No	Head of Account	Nomenclature	(₹ in lakh)		
				Original provision	Actual Expenditure	Supple-mentary provision
29		2210.01.110.MX	Government Medical College Hospital, Kallakurichi	2,108.28	1,321.15	216.30
30		2210.01.110.MQ	Government Medical College Hospital, Nilgiris	2,108.28	1,878.78	139.84
31		2210.01.110.MS	Government Medical College Hospital, Namakkal	2,108.28	1,910.41	69.30
32		2210.03.103.BI	Primary Health Centres	84,451.72	83,276.45	1,828.15
33		2210.04.200.AA	Yoga and Naturopathy Lifestyle Clinics in District Headquarters Hospitals	492.81	435.46	113.07
34		2210.05.105.AA	Chennai Medical College	18,466.94	15,668.47	635.79
35		2210.05.105.AF	Thanjavur Medical College, Thanjavur	5,772.42	5,368.56	3,108.03
36		2210.05.105.BB	Government Mohan Kumaramangalam Medical College	6,716.84	6,600.22	80.63
37		2210.05.105.BD	K.A.P.Viswanatham Government Medical College, Thiruchirappalli	6,348.22	5,238.13	157.10
38		2210.05.105.BT	Government Medical College, Thiruvannamalai	4,060.72	3,676.48	262.09
39		2210.05.105.KA	Reimbursement of Tuition Fees for First Generation Graduates	3,720.37	3,396.17	129.03
40		2210.05.105.CC	Government Medical College and ESIC Hospital, Coimbatore	1,350.02	1,318.48	75.00
41		2210.05.200.JA	Government Yoga and Naturopathy College, Chennai	901.52	800.99	90.73
42		2210.06.101.BY	Cancer Control	1,532.93	1,472.16	115.54
43		2210.06.107.AD	Public Health Laboratory, King Institute at Guindy	2,154.49	2,106.34	61.62
44		2211.00.103.UC	National Urban Health Mission Schemes	6,813.94	6,224.00	224.34
45		2211.00.103.UF	National Urban Health Mission Schemes - State Share	4,542.63	4,149.33	149.82
46		2211.00.793.UC	National Urban Health Mission Schemes under Special Component Plan	1,769.84	1,207.50	96.12
47		2211.00.793.UF	National Urban Health Mission Schemes under Special Component Plan - State Share	1,179.89	805.00	64.15
48	24	2056.00.101.AA	Jails (other than Sub-Jails)	24,338.67	21,077.50	296.76
49	31	2852.07.800.JM	Assistance from State towards establishment of State Data Centre	1,400.00	1,174.22	1,174.22
50	38	2052.00.090.AA	Chief Secretariat	3,806.01	3,439.98	142.82
51		2052.00.090.AM	Charges Common to all Civil Secretariat	2,008.06	1,900.60	254.50
52		2070.00.001.AC	State Human Rights Commission	643.67	536.63	110.51
53	43	2202.01.101.AC	Salaries to Panchayat Union Elementary School Teachers	6,85,006.14	6,75,884.39	212.71
54		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	521.53	223.19	72.47
55	47	2250.00.102.AF	District Establishment other than Temple Executive Officers	6,339.03	4,355.60	75.02
	(B) Capital (Voted)					
56	29	4202.04.106.KC	Construction of a New Museum to Display Unearthed Antiques found in Excavation work at Archaeological Sites	821.00	762.06	182.48
57	52	4235.02.101.SA	Scheme for Implementation of Persons with Disabilities Act - (SIPDA)	2,856.38	2,486.95	637.39
58	54	4406.01.105.JE	Sandal Plantations	805.47	0.00	494.14
59		4406.01.800.JA	Forest Protection	0.01	0.00	199.99
			Total	11,95,910.45	11,31,782.15	24,264.15

(Source: Detailed Appropriation Accounts for the year 2021-22)

Appendix 3.3
(Reference: Paragraphs 3.3.5)
Excessive / insufficient re-appropriation of funds

Sl. No	Grant	Name of the Grant	Head of Account	(₹ in lakh)	
				Re-appropriation	Final Excess (+) / Savings (-)
		Savings occurred under the following			
1	04	Adi-Dravidar And Tribal Welfare Department	2225.01.277.AA	(-) 2,657.61	(-) 2,394.31
2	05	Agriculture And Farmer's Welfare Department	2401.00.119.JX	1,762.21	(-) 288.50
3	05	Agriculture And Farmer's Welfare Department	2401.00.800.UF	(-) 1.28	(-) 220.08
4	18	Khadi, Village Industries And Handicrafts (Handlooms, Handicrafts, Textiles and Khadi Department)	2851.00.105.AM	(-) 800.00	(-) 2,200.00
5	19	Health and Family Welfare Department	2210.01.110.AA	(-) 2,311.28	(-) 374.16
6	19	Health and Family Welfare Department	2210.03.103.AH	748.51	(-) 1,209.41
7	19	Health and Family Welfare Department	2210.03.103.BI	(-) 2,476.73	(-) 526.69
8	19	Health and Family Welfare Department	2210.06.101.AO	(-) 753.00	(-) 214.81
9	19	Health and Family Welfare Department	2210.06.101.BX	(-) 47.06	(-) 284.26
10	19	Health and Family Welfare Department	2235.60.789.JC	(-) 2,718.89	(-) 400.26
11	20	Higher Education Department	2203.00.105.AC	(-) 259.12	(-) 205.72
12	20	Higher Education Department	2203.00.108.AA	(-) 2,361.43	(-) 226.65
13	20	Higher Education Department	2203.00.112.JL	(-) 882.34	(-) 1,063.26
14	21	Highways and Minor Ports Department	3054.80.001.JX	3,484.82	(-) 870.33
15	21	Highways and Minor Ports Department	5054.80.800.JE	(-) 2,650.21	(-) 4,919.32
16	21	Highways and Minor Ports Department	5054.80.800.JF	(-) 565.82	(-) 326.72
17	22	Police (Home, Prohibition and Excise Department)	2055.00.797.AA	1,358.28	(-) 1,844.47
18	22	Police (Home, Prohibition and Excise Department)	2055.00.800.AL	(-) 12.70	(-) 418.27
19	24	Prisons and Correctional Services (Home, Prohibition and Excise Department)	2056.00.101.AA	(-) 3,024.36	(-) 533.57
20	24	Prisons and Correctional Services (Home, Prohibition and Excise Department)	2056.00.101.AB	448.03	(-) 547.48
21	24	Prisons and Correctional Services (Home, Prohibition and Excise Department)	2056.00.797.AA	0.60	(-) 433.58
22	26	Housing and Urban Development Department	2216.02.797.AA	10,297.78	(-) 7,709.12
23	29	Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	4202.04.101.JE	(-) 218.87	(-) 554.06
24	32	Labour Welfare and Skill Development Department	2230.01.111.JA	(-) 7,027.36	(-) 473.83
25	38	Public Department	2015.00.106.AA	(-) 6,083.98	(-) 675.22
26	39	Buildings (Public Works Department)	4215.01.800.JW	(-) 264.60	(-) 888.97
27	39	Buildings (Public Works Department)	4216.80.800.JU	(-) 313.69	(-) 728.09
28	40	Water Resources Department	2701.80.052.AC	(-) 193.39	(-) 224.63
29	40	Water Resources Department	2701.80.800.AA	(-) 3,724.62	(-) 1,30,633.36
30	40	Water Resources Department	2701.80.800.AC	(-) 17,319.12	(-) 11,796.25
31	40	Water Resources Department	2711.01.800.AC	(-) 1,734.92	(-) 17,349.24
32	40	Water Resources Department	4700.01.800.CA	(-) 19,891.06	(-) 430.37
33	40	Water Resources Department	4700.02.800.AA	297.63	(-) 253.63
34	40	Water Resources Department	4700.80.800.PW	8,600.90	(-) 3,635.29
35	40	Water Resources Department	4702.00.800.JW	337.45	(-) 476.63

Sl. No	Grant	Name of the Grant	Head of Account	(₹ in lakh)	
				Re-appropriation	Final Excess (+) / Savings (-)
36	41	Revenue and Disaster Management Department	2235.60.102.JB	(-) 8,105.66	(-) 291.87
37	41	Revenue and Disaster Management Department	2235.60.102.JE	(-) 13,109.29	(-) 503.78
38	41	Revenue and Disaster Management Department	2235.60.102.UA	7,347.05	(-) 3,517.78
39	41	Revenue and Disaster Management Department	2235.60.102.UC	5,092.38	(-) 1,728.81
40	41	Revenue and Disaster Management Department	2235.60.200.KX	(-) 12,856.40	(-) 207.59
41	41	Revenue and Disaster Management Department	2235.60.793.UA	2,117.89	(-) 992.22
42	41	Revenue and Disaster Management Department	2235.60.793.UC	1,666.35	(-) 488.40
43	43	School Education Department	2202.01.101.AA	1,269.62	(-) 4,988.63
44	43	School Education Department	2202.01.101.AB	(-) 297.35	(-) 841.29
45	45	Social Welfare and Women Empowerment Department	2236.02.101.JN	(-) 1,628.70	(-) 253.13
46	47	Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	2250.00.797.AB	(-) 2,942.79	(-) 1,557.55
47	51	Relief on Account of Natural Calamities	2245.02.101.AF	27.84	(-) 345.24
48	56	Debt Charges	2049.01.305.AA	568.03	(-) 2,768.40
49	56	Debt Charges	2049.03.104.AA	(-) 1,643.12	(-) 1,960.05
50	56	Debt Charges	2049.03.104.AN	(-) 2,130.88	(-) 1,283.48
51	56	Debt Charges	2049.03.117.AA	(-) 246.47	(-) 307.23
52	56	Debt Charges	2049.03.117.AE	(-) 246.47	(-) 307.23
53	56	Debt Charges	2049.03.117.AF	(-) 111.85	(-) 1,851.07
54	56	Debt Charges	2049.03.117.AG	(-) 111.85	(-) 1,851.07
55	56	Debt Charges	2049.03.117.AH	(-) 351.57	(-) 5,300.34
56	56	Debt Charges	2049.03.117.AI	(-) 351.57	(-) 5,300.34
57	56	Debt Charges	2049.03.117.AJ	(-) 22.22	(-) 644.26
58	56	Debt Charges	2049.03.117.AK	(-) 22.22	(-) 644.26
59	56	Debt Charges	2049.03.117.AM	508.44	(-) 3,855.34
Total - Savings					(-) 2,37,119.90
Excess occurred under the following					
1	04	Adi-Dravidar and Tribal Welfare Department	2225.01.277.AE	(-) 7,523.55	470.98
2	04	Adi-Dravidar and Tribal Welfare Department	2225.02.277.AA	(-) 3,207.00	1,071.70
3	05	Agriculture and Farmer's Welfare Department	2401.00.109.AK	2,471.08	492.03
4	05	Agriculture and Farmer's Welfare Department	2435.01.101.AC	(-) 559.30	259.06
5	16	Finance Department	7610.00.800.AJ	(-) 2,603.67	304.88
6	19	Health and Family Welfare Department	2210.01.110.AB	(-) 4,228.54	3,056.07
7	19	Health and Family Welfare Department	2210.01.110.EC	556.33	273.57
8	19	Health and Family Welfare Department	2210.06.001.AP	6,374.99	482.16
9	19	Health and Family Welfare Department	2211.00.103.UB	(-) 836.89	552.01
10	19	Health and Family Welfare Department	2211.00.793.UB	802.23	3,009.83
11	20	Higher Education Department	2203.00.001.AA	(-) 205.07	1,025.52
12	20	Higher Education Department	2203.00.105.AA	(-) 8,291.99	350.23

Sl. No	Grant	Name of the Grant	Head of Account	(₹ in lakh)	
				Re-appropriation	Final Excess (+) / Savings (-)
13	34	Municipal Administration and Water Supply Department	6217.60.190.PN	1,823.09	258.79
14	39	Buildings (Public Works Department)	4059.01.800.AA	(-) 560.59	3,279.20
15	39	Buildings (Public Works Department)	4210.80.800.JA	(-) 901.73	389.51
16	39	Buildings (Public Works Department)	4210.80.800.UW	(-) 5.00	16,969.64
17	39	Buildings (Public Works Department)	4210.80.800.UX	(-) 0.35	282.72
18	40	Water Resources Department	4700.03.800.AA	267.86	205.63
19	40	Water Resources Department	4701.80.800.JJ	(-) 30,396.10	324.48
20	41	Revenue and Disaster Management Department	2029.00.102.AF	255.98	208.79
21	41	Revenue and Disaster Management Department	2029.00.102.AG	(-) 3,980.58	2,845.72
22	41	Revenue and Disaster Management Department	2235.60.102.UF	(-) 8,518.09	984.98
23	41	Revenue and Disaster Management Department	2235.60.793.UG	(-) 2,669.20	250.87
24	41	Revenue and Disaster Management Department	5053.02.102.AD	(-) 3,450.59	3,450.58
25	43	School Education Department	2202.02.109.AA	5,245.19	211.59
26	44	Micro, Small and Medium Enterprises Department	2851.00.102.LQ	33.64	286.50
27	44	Micro, Small and Medium Enterprises Department	2851.00.102.MV	469.01	500.58
28	50	Pension and Other Retirement Benefits	2071.01.101.AA	(-) 1,62,686.11	1,378.16
29	50	Pension and Other Retirement Benefits	2071.01.800.AL	33.89	334.53
30	56	Debt Charges	2049.01.101.LA	45,359.99	10,460.00
Total – Excess					53,970.31

(Source: Detailed Appropriation Accounts for the year 2021-22)

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
(A) Revenue (Charged)					
1	05	2401.00.109.AK	5,20,000	2,000	0
2	56	2049.01.305.AA	96,91,55,000	5,68,03,000	74,91,18,167
3	56	2049.03.117.AM	33,46,90,000	5,08,44,000	0
(A) Revenue (Voted)					
4	04	2225.01.001.AC	7,09,55,000	44,000	6,90,98,813
5	05	2401.00.103.AD	6,29,92,000	3,56,000	5,82,28,198
6	05	2401.00.103.AF	5,08,36,000	96,95,000	4,89,32,230
7	16	2047.00.103.AB	2,20,81,000	91,42,000	1,80,45,925
8	16	2054.00.098.AA	13,48,72,000	10,95,000	13,22,90,726
9	19	2051.00.103.AA	1,54,63,000	8,99,000	1,53,91,698
10	19	2210.01.110.JC	10,04,09,000	16,26,000	9,89,03,700
11	19	2210.03.103.AH	4,64,79,24,000	748,51,000	4,60,18,34,316
12	19	2210.05.105.JA	26,66,000	7,19,000	0
13	19	2210.06.101.AL	41,68,000	3,86,000	32,74,601
14	19	2211.00.102.SA	3,82,07,000	49,93,000	3,64,35,183
15	22	2055.00.797.AA	4,86,19,000	13,58,28,000	0
16	24	2056.00.101.AB	61,57,32,000	4,48,03,000	60,57,86,753
17	24	2056.00.797.AA	4,32,98,000	60,000	0
18	33	2235.60.800.JP	3,60,00,000	3,60,000	3,59,99,881
19	36	2551.01.137.JA	2,30,23,000	6,49,000	2,20,90,734
20	37	2039.00.001.AF	17,61,15,000	28,49,000	17,49,76,684
21	38	2075.00.104.AV	1,000	9,99,000	0
22	40	2215.01.101.AD	3,81,42,000	27,60,000	3,71,47,618
23	42	3454.02.110.AB	64,99,000	1,56,000	64,80,311
24	43	2202.01.101.AA	6,10,28,96,000	12,69,62,000	5,73,09,95,382
25	51	2245.02.101.AF	11,25,11,000	27,84,000	8,07,70,681
26	52	2235.02.101.BE	58,52,000	2,99,000	57,07,890
Total			13,66,36,26,000	52,99,64,000	12,53,15,09,491

(Source: Detailed Appropriation Accounts for the year 2021-22)

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	2401.00.119.BF	Implementation of Micro Irrigation Schemes under NABARD assistance	547.50	0.00	(-) 547.50	0.00
2	14	2810.00.800.AB	Solar Energy Produced by Farmers' under KUSUM Scheme	100.00	0.00	(-) 100.00	0.00
3	20	2203.00.102.AA	Anna University, Chennai	100.00	0.00	(-) 100.00	0.00
4	26	2216.02.190.AH	Grants to Equity Contribution to the Tamil Nadu Shelter Fund under inclusive Resilient and Sustainable Housing for the Urban Poor	150.00	0.00	(-) 150.00	0.00
5	26	2216.02.190.PB	Grants to TNSCB for implementation of ADB assisted Inclusive Resilient and Sustainable Housing for the Urban Poor	100.00	0.00	(-) 100.00	0.00
6	32	2230.03.800.JB	Grants to Tamil Nadu Skill Development Corporation	156.00	0.00	(-) 156.00	0.00
7	41	2235.60.200.DR	Corpus Fund for New Comprehensive Accident-cum-Life Insurance Scheme implemented by CRA	150.00	0.00	(-) 150.00	0.00
8	41	2235.60.200.MB	New Comprehensive Accident-cum-Life Insurance Scheme implemented by CRA	100.00	0.00	(-) 100.00	0.00
9	42	2215.02.105.UB	Total Sanitation Campaign - Swachh Bharat Mission	158.40	0.00	(-) 158.40	0.00
10	42	2215.02.105.UC	Total Sanitation Campaign - Swachh Bharat Mission - State Share	105.60	0.00	(-) 105.60	0.00
A - Revenue - Charged							
11	56	2049.01.101.AB	Lumpsum provision for the New Loans to be floated during the current Financial Year	700.00	0.00	(-) 700.00	0.00
B - Capital - Voted							
12	16	5475.00.115.PA	First Loss Catalytic Capital for Investments into Tamil Nadu Infrastructure Fund under TNIPP Phase-2	120.00	0.00	(-) 120.00	0.00
13	34	4217.60.190.KE	Eco - Restoration Project for Ennore Creek	139.38	0.00	(-) 139.38	0.00
C - Loans - Voted							
14	05	6401.00.195.AD	Ways and Means Advances to Tamil Nadu Cooperative Marketing Federation Limited (TANFED)	130.00	0.00	(-) 130.00	0.00
Total				2,756.88	0.00	(-) 2,756.88	0.00

(Source: Detailed Appropriation Accounts for the year 2021-22)

Appendix 3.6
(Reference: Paragraph 3.3.5 & 4.3)

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

(in ₹)

Sl. No	Head of Account	Nomenclature	Original	Supplementary	Re-appropriation	Final Modified Appropriation	Expenditure
1	2049.60.101.AB	Interest on Deposits of compensation from amounts received on account of Thanjavur and Salem District Board Railway Lines	1,34,000	0.00	(-) 1,34,000	0.00	1,34,074
2	2049.60.101.BG	Interest on Deposits of State Agricultural Marketing Board	30,00,000	0.00	(-) 30,00,000	0.00	0.00
3	2049.60.101.BH	Interest on Deposits of Vellore Market Committee	4,00,000	0.00	(-) 4,00,000	0.00	0.00
4	2049.60.101.BJ	Interest on Deposits of Cuddalore Market Committee	5,87,000	0.00	(-) 5,87,000	0.00	0.00
5	2049.60.101.BK	Interest on Deposits of Dharmapuri Market Committee	7,00,000	0.00	(-) 7,00,000	0.00	0.00
6	2049.60.101.BQ	Interest on Deposits of Coimbatore Market Committee	10,00,000	0.00	(-) 10,00,000	0.00	0.00
7	2049.60.101.BS	Interest on Deposits of Tirunelveli Market Committee	10,00,000	0.00	(-) 10,00,000	0.00	0.00
8	2049.60.101.BU	Interest on Deposits of Kancheepuram Market Committee	25,000	0.00	(-) 25,000	0.00	0.00
9	2049.60.101.CT	Interest on Deposits of Chennai University	2,00,00,000	0.00	(-) 2,00,00,000	0.00	0.00
10	2049.60.101.CW	Interest on Deposits of Bharathiar University	95,60,000	0.00	(-) 95,60,000	0.00	0.00
11	2049.60.101.CZ	Interest on Deposits of Mother Teresa Women's University, Kodaikkanal	18,95,000	0.00	(-) 18,95,000	0.00	0.00
12	2049.60.101.DB	Interest on Deposits of Anna University, Chennai	10,17,20,000	0.00	(-) 10,17,20,000	0.00	0.00

(in ₹)

Sl. No	Head of Account	Nomenclature	Original	Supplementary	Re-appropriation	Final Modified Appropriation	Expenditure
13	2049.60.101.DC	Interest on Deposits of Tamil Nadu Agricultural University	7,20,70,000	0.00	(-) 7,20,70,000	0.00	0.00
14	2049.60.101.DU	Deposits of State Transport Corporation Employees' Post Retirement Benefit Fund	15,00,000	0.00	(-) 15,00,000	0.00	0.00
15	2049.60.101.DX	Interest on Deposits of Tamil Nadu Dr. M.G.R Medical University	74,88,000	0.00	(-) 74,88,000	0.00	0.00
16	2049.60.101.EP	Interest on Deposits of Thiruvalluvar University	8,00,000	0.00	(-) 8,00,000	0.00	0.00
17	2049.60.101.EX	Interest on Deposit of Water and Sanitation Pooled Fund	80,00,000	0.00	(-) 80,00,000	0.00	0.00
18	2049.60.101.EY	Interest on Deposits of Tamil Nadu State Transport Corporation Employees Pension Fund Trust	3,20,00,000	0.00	(-) 3,20,00,000	0.00	0.00
		Total	26,18,79,000	0.00	(-) 26,18,79,000	0.00	1,34,074

(Source: Detailed Appropriation Accounts for the year 2021-22)

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	11	Stamps and Registration (Commercial Taxes and Registration Department)	2030.01.102.AA (V)	1,000	0	(-) 1,000	5,973
2	16	Finance Department	7610.00.800.AE (V)	1,000	0	(-) 1,000	2,34,320
3	16	Finance Department	7610.00.800.AH (V)	2,00,000	0	(-) 2,00,000	25,000
4	29	Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	4202.04.106.KA (V)	0	1,000	(-) 1,000	5,748
5	38	Public Department	2075.00.104.AD (V)	35,000	0	(-) 35,000	14,994
6	41	Revenue and Disaster Management Department	2053.00.093.AJ (V)	20,00,000	0	(-) 20,00,000	51,000
7	41	Revenue and Disaster Management Department	2053.00.094.FH (V)	28,06,000	2,000	(-) 28,08,000	12,01,160
8	41	Revenue and Disaster Management Department	5053.02.102.AD (V)	1,000	34,50,58,000	(-) 34,50,59,000	34,50,58,000
9	44	Micro, Small and Medium Enterprises Department	4851.00.102.LG (V)	1,000	0	(-) 1,000	1,86,40,000
10	51	Relief on Account of Natural Calamities	2245.02.111.AB (C)	1,000	0	(-) 1,000	66,25,400
11	52	Department for the Welfare of Differently Abled Persons	2235.02.101.CL (V)	1,000	0	(-) 1,000	10,000
12	56	Debt Charges	2049.60.101.AB (C)	1,34,000	0	(-) 1,34,000	1,34,074
13	56	Debt Charges	2049.60.101.AJ (C)	72,00,000	0	(-) 72,00,000	72,00,000
14	56	Debt Charges	2049.60.701.AC (C)	1,000	0	(-) 1,000	16,636
		Total		1,23,82,000	34,50,61,000	(-) 35,74,43,000	37,92,22,305

* V – Voted, C - Charged

(Source: Detailed Appropriation Accounts for the year 2021-22)

Appendix 3.8
(Reference: Paragraph 3.3.6.1)
Grants in which savings more than ₹ 100 crore

(₹ in crore)

Sl. No	Grant No	Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
A – Revenue (Charged)							
1	56	Debt Charges	44,700.01	0.00	44,700.01	42,169.83	(-) 2,530.18
A – Revenue (Charged) Total			44,700.01	0.00	44,700.01	42,169.83	(-) 2,530.18
A – Revenue (Voted)							
2	04	Adi-Dravidar and Tribal Welfare Department	3,717.03	0.00	3,717.03	2,218.77	(-) 1,498.26
3	05	Agriculture and Farmer's Welfare Department	12,249.73	0.01	12,249.74	11,075.41	(-) 1,174.33
4	06	Animal Husbandry (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	1,177.35	96.52	1,273.87	1,149.74	(-) 124.13
5	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	1,067.07	0.00	1,067.07	653.52	(-) 413.55
6	14	Energy Department	15,509.82	0.00	15,509.82	15,164.69	(-) 345.13
7	19	Health and Family Welfare Department	16,325.29	1,731.15	18,056.44	16,968.43	(-) 1,088.01
8	20	Higher Education Department	5,020.47	74.28	5,094.75	4,540.16	(-) 554.59
9	22	Police (Home, Prohibition and Excise Department)	8,641.58	0.02	8,641.60	8,357.13	(-) 284.47
10	26	Housing and Urban Development Department	4,951.88	138.15	5,090.03	3,757.28	(-) 1,332.75
11	27	Industries Department	2,207.50	0.00	2,207.50	1,834.82	(-) 372.68
12	32	Labour Welfare and Skill Development Department	1,693.75	0.01	1,693.76	1,174.10	(-) 519.66
13	34	Municipal Administration and Water Supply Department	9,085.76	956.92	10,042.68	9,653.92	(-) 388.76
14	40	Water Resources Department	2,766.45	0.00	2,766.45	2,650.33	(-) 116.12
15	41	Revenue and Disaster Management Department	7,554.19	0.01	7,554.20	6,401.68	(-) 1,152.52
16	42	Rural Development and panchayat Raj Department	19,063.18	2,088.90	21,152.08	20,826.24	(-) 325.84
17	43	School Education Department	32,456.54	821.78	33,278.32	32,219.56	(-) 1,058.76
18	45	Social Welfare and Women Empowerment Department	5,697.98	4.91	5,702.89	4,981.16	(-) 721.73
19	50	Pension and Other Retirement Benefits	28,244.49	0.00	28,244.49	26,335.15	(-) 1,909.34
20	51	Relief on Account of Natural Calamities	10,791.85	1,335.40	12,127.25	11,761.34	(-) 365.91
21	53	Department of Special Programmed Implementation	630.13	0.00	630.13	485.02	(-) 145.11
A – Revenue (Voted) Total			188,852.04	7,248.06	1,96,100.10	182,208.45	(-) 13,891.65
B – Capital (Voted)							
22	04	Adi-Dravidar and Tribal Welfare Department	404.89	0.00	404.89	227.08	(-) 177.81

(₹ in crore)

Sl. No	Grant No	Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
23	05	Agriculture and Farmer's Welfare Department	549.39	0.00	549.39	253.99	(-) 295.40
24	06	Animal Husbandry (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	470.32	0.00	470.32	188.04	(-) 282.28
25	07	Fisheries and Fishermen Welfare (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	580.97	0.00	580.97	275.45	(-) 305.52
26	13	Food and Consumer Protection (Co-operation, Food and Consumer Protection Department)	867.64	0.00	867.64	93.58	(-) 774.06
27	16	Finance Department	620.00	0.00	620.00	47.36	(-) 572.64
28	19	Health and Family Welfare Department	2,606.17	0.00	2,606.17	2,173.21	(-) 432.96
29	20	Higher Education Department	348.62	0.00	348.62	179.54	(-) 169.08
30	21	Highways and Minor Ports Department	16,183.90	0.00	16,183.90	13,386.07	(-) 2,797.83
31	22	Police (Home, Prohibition and Excise Department)	281.50	0.00	281.50	7.29	(-) 274.21
32	34	Municipal Administration and Water Supply Department	8,589.15	574.89	9,164.04	8,897.28	(-) 266.76
33	39	Buildings (Public Works Department)	1,779.06	0.00	1,779.06	1,161.36	(-) 617.70
34	40	Water Resources Department	3,845.86	0.01	3,845.87	2,516.09	(-) 1,329.78
35	42	Rural Development and panchayat Raj Department	3,783.63	0.00	3,783.63	3,072.48	(-) 711.15
36	48	Transport Department	2,167.49	0.00	2,167.49	1,737.43	(-) 430.06
B – Capital (Voted) Total			43,078.59	574.90	43,653.49	34,216.25	(-) 9,437.24
C – Loan (Charged)							
37	57	Public Debt – Repayment	19,857.38	0.00	19,857.38	19,737.27	(-) 120.11
C – Loan (Charged) Total			19,857.38	0.00	19,857.38	19,737.27	(-) 120.11
C – Loan (Voted)							
38	05	Agriculture and Farmer's Welfare Department	130.75	0.01	130.76	0.76	(-) 130.00
39	14	Energy Department	1,266.03	0.00	1,266.03	780.31	(-) 485.72
40	26	Housing and Urban Development Department	3,168.95	0.00	3,168.95	1,637.28	(-) 1,531.67
41	27	Industries Department	100.00	440.87	540.87	392.78	(-) 148.09
42	48	Transport Department	451.70	97.75	549.45	100.78	(-) 448.67
C – Loan (Voted) Total			5,117.43	538.63	5,656.06	2,911.91	(-) 2,744.15
Grand Total			3,01,605.45	8,361.59	3,09,967.04	2,81,243.71	(-) 28,723.33

(Source: Appropriation Accounts for the year 2021-22)

Appendix 3.9
(Reference: Paragraph 3.3.6.2)

Cases of surrender of funds in excess of ₹ 10 crore on 31 March 2022

(₹ in crore)

Sl. No.	Grant Number	Major Head	Description	Amount surrendered
Appropriations				
1	03	2014	Administration of Justice	30.03
2	41	4070	Capital Outlay on Other Administrative Services	50.50
3	56	2048	Appropriation for reduction or avoidance of debt	42.89
Grants				
4	03	2014	Administration of Justice	60.85
5	04	2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	1,091.45
6	04	4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, other Backward Classes and Minorities	157.81
7	05	2401	Crop Husbandry	1,091.63
8	05	2402	Soil and Water Conservation	15.08
9	05	2435	Other Agricultural Programmes	23.79
10	05	4401	Capital Outlay on Crop Husbandry	38.98
11	05	6401	Loans for Crop Husbandry	130.00
12	06	2403	Animal Husbandry	107.09
13	06	2415	Agricultural Research and Education	16.44
14	06	4403	Capital Outlay on Animal Husbandry	56.87
15	07	4405	Capital Outlay on Fisheries	184.64
16	09	2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	231.70
17	09	4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, other Backward Classes and Minorities	26.06
18	10	2040	Taxes on Sales, Trade etc.	47.49
19	11	2030	Stamps and Registration	34.13
20	12	2425	Co-operation	10.50
21	13	3456	Civil Supplies	12.28
22	14	4801	Capital Outlay on Power Projects	34.53
23	14	6801	Loans for Power Projects	350.68
24	16	2052	Secretariat - General Services	28.21
25	16	2054	Treasury and Accounts Administration	10.46
26	16	7610	Loans to Government Servants etc.	65.86
27	17	2851	Village and Small Industries	16.74
28	19	2210	Medical and Public Health	810.77
29	19	2211	Family Welfare	210.94
30	19	2235	Social Security and Welfare	93.92
31	19	4210	Capital Outlay on Medical and Public Health	317.69
32	19	4211	Capital Outlay on Family Welfare	72.50
33	20	2059	Public Works	13.33
34	20	2202	General Education	224.65
35	20	2203	Technical Education	42.78
36	20	4202	Capital Outlay on Education, Sports, Art and Culture	34.06
37	21	3054	Roads and Bridges	41.99

(₹ in crore)

Sl. No.	Grant Number	Major Head	Description	Amount surrendered
38	21	5054	Capital Outlay on Roads and Bridges	219.75
39	22	2055	Police	222.39
40	22	2235	Social Security and Welfare	15.59
41	22	4055	Capital Outlay on Police	131.76
42	23	2070	Other Administrative Services	21.33
43	24	2056	Jails	40.91
44	25	2041	Taxes on Vehicles	12.91
45	26	2216	Housing	416.32
46	26	2217	Urban Development	62.57
47	27	2852	Industries	144.85
48	27	6860	Loans for Consumer Industries	175.00
49	28	2220	Information and Publicity	26.01
50	29	2205	Art and Culture	11.74
51	31	2852	Industries	19.07
52	32	2210	Medical and Public Health	62.95
53	32	2230	Labour, Employment and Skill Development	12.34
54	32	4250	Capital Outlay on other Social Services	16.36
55	34	2217	Urban Development	269.84
56	34	3475	Other General Economic Services	56.16
57	34	4215	Capital Outlay on Water Supply and Sanitation	13.87
58	34	4217	Capital Outlay on Urban Development	252.86
59	37	2039	State Excise	23.32
60	38	2015	Elections	61.81
61	39	2059	Public Works	13.40
62	39	4059	Capital Outlay on Public Works	80.12
63	39	4202	Capital Outlay on Education, Sports, Art and Culture	13.03
64	39	4210	Capital Outlay on Medical and Public Health	21.29
65	40	2701	Major and Medium Irrigation	53.00
66	40	4700	Capital Outlay on Major Irrigation	113.53
67	40	4701	Capital Outlay on Major and Medium Irrigation	21.87
68	41	2029	Land Revenue	57.32
69	41	2053	District Administration	99.75
70	41	2235	Social Security and Welfare	901.26
71	41	5053	Capital Outlay on Civil Aviation	34.51
72	42	2015	Elections	31.99
73	42	2215	Water Supply and Sanitation	11.69
74	42	2501	Special Programmes for Rural Development	50.19
75	42	2505	Rural Employment	125.51
76	42	2515	Other Rural Development programmes	96.82
77	42	4215	Capital Outlay on Water Supply and Sanitation	74.20
78	43	2202	General Education	989.06
79	43	4202	Capital Outlay on Education, Sports, Art and Culture	27.03
80	44	2851	Village and Small Industries	11.37

(₹ in crore)

Sl. No.	Grant Number	Major Head	Description	Amount surrendered
81	44	6851	Loans for Village and Small Industries	25.00
82	45	2235	Social Security and Welfare	84.33
83	45	2236	Nutrition	338.85
84	46	2202	General Education	10.68
85	47	2250	Other Social Services	22.91
86	49	2204	Sports and Youth Services	62.06
87	50	2071	Pensions and other Retirement Benefits	613.25
88	51	2245	Relief on account of Natural Calamities	90.51
89	52	2235	Social Security and Welfare	75.20
90	52	4235	Capital Outlay on Social Security and Welfare	13.32
91	54	2406	Forestry and Wild Life	52.60
92	54	4406	Capital Outlay on Forestry and Wild Life	52.61
Grand Total				12,387.29

(Source: Re-appropriation-II 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 Appropriations					
		A - Revenue			
1	56	Debt Charges	2,530.18	2,371.53	158.65
		C - Loans			
2	57	Public Debt - Repayment	120.14	117.15	2.99
II Grants					
		A - Revenue			
3	04	Adi-Dravidar and Tribal Welfare Department	1,498.27	1,489.74	8.53
4	16	Finance Department	41.66	38.77	2.89
5	18	Khadi, Village Industries and Handicrafts (Handlooms, Handicrafts, Textiles and Khadi Department)	33.14	2.20	30.94
6	20	Higher Education Department	554.60	553.45	1.15
7	21	Highways and Minor Ports Department	52.21	42.57	9.64
8	22	Police (Home, Prohibition and Excise Department)	284.46	261.68	22.78
9	24	Prison and Correctional Services (Home, Prohibition and Excise Department)	56.34	40.91	15.42
10	26	Housing and Urban Development Department	1,332.75	1,255.60	77.15
11	32	Labour Welfare and Skill Development Department	519.65	512.63	7.02
12	34	Municipal Administration and Water Supply Department	388.75	337.18	51.57
13	38	Public Department	94.99	87.23	7.76
14	39	Buildings (Public Works Department)	21.45	20.24	1.21
15	41	Revenue and Disaster Management Department	1,152.52	1,109.61	42.91
16	42	Rural Development and panchayat Raj Department	325.83	324.74	1.09
17	43	School Education Department	1,058.76	1,003.18	55.58
18	47	Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	38.66	22.96	15.70
19	51	Relief on Account of Natural Calamities	365.90	90.51	275.39
20	52	Department for the Welfare of Differently Abled Persons	86.77	85.64	1.13
		B - Capital			
21	21	Highways and Minor Ports Department	2,797.83	2,743.83	54.00
22	29	Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	8.98	3.44	5.54
23	40	Water Resources Department	1,329.78	1,283.82	45.96
		Total	14,693.62	13,798.61	895.01

(Source: Appropriation Accounts for the year 2021-22)

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

(₹ in lakh)

Sl. No	Grant	Name of Grant/Appropriation	Savings	Surrendered	Difference
Revenue - Charged					
1	03	Administration of Justice	2,993.27	3,002.54	9.27
2	04	Adi-Dravidar and Tribal Welfare Department	273.03	342.17	69.14
3	19	Health and Family Welfare Department	92.73	92.83	0.10
4	30	Stationery and Printing (Tamil Development and Information Department)	0.03	0.04	0.01
5	50	Pension and Other Retirement Benefits	49.07	49.08	0.01
Revenue - Voted					
6	05	Agriculture and Farmer's Welfare Department	1,17,432.88	1,17,930.09	497.21
7	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	41,354.84	41,429.13	74.29
8	10	Commercial Taxes (Commercial Taxes and Registration Department)	4,789.65	4,792.85	3.20
9	11	Stamps and Registration (Commercial Taxes and Registration Department)	3,592.12	3,617.13	25.01
10	19	Health and Family Welfare Department	1,08,801.74	1,11,899.69	3,097.95
11	25	Motor Vehicles Act-Administration (Home, Prohibition and Excise Department)	1,475.03	1,475.99	0.96
12	29	Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	1,351.45	1,355.79	4.34
13	30	Stationery and Printing (Tamil Development and Information Department)	1,770.96	1,771.29	0.33
14	31	Information Technology Department	1,969.96	1,970.17	0.21
15	40	Water Resources Department	11,612.78	18,712.77	7,099.99
16	44	Micro, Small and Medium Enterprises Department	694.36	1,618.63	924.27
17	45	Social Welfare and Women Empowerment Department	72,172.51	72,546.62	374.11
18	46	Tamil Development (Tamil Development and Information Department)	1,185.61	1,232.53	46.92
19	50	Pension and Other Retirement Benefits	1,90,934.58	1,92,644.12	1,709.54
20	53	Department of Special Programmed Implementation	14,510.34	14,510.55	0.21
21	54	Forests (Environment, Climate Change and Forests Department)	8,902.04	8,938.15	36.11

(₹ in lakh)

Sl. No	Grant	Name of Grant/Appropriation	Savings	Surrendered	Difference
Capital - Voted					
22	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	4,862.82	4,863.80	0.98
23	19	Health and Family Welfare Department	43,295.47	45,217.19	1,921.72
24	20	Higher Education Department	16,907.64	16,908.35	0.71
25	30	Stationery and Printing (Tamil Development and Information Department)	65.84	81.20	15.36
26	32	Labour Welfare and Skill Development Department	1,431.10	1,852.25	421.15
27	39	Buildings (Public Works Department)	61,770.36	81,125.30	19,354.94
28	41	Revenue and Disaster Management Department	64.64	3,515.22	3,450.58
29	43	School Education Department	2,652.60	2,702.89	50.29
30	45	Social Welfare and Women Empowerment Department	411.09	411.13	0.04
31	52	Department for the Welfare of Differently Abled Persons	1,331.49	1,331.50	0.01
32	54	Forests (Environment, Climate Change and Forests Department)	5,254.27	5,286.63	32.36
Loans - Voted					
33	15	Environment and Climate Change (Environment, Climate Change and Forests Department)	115.17	120.87	5.70
34	16	Finance Department	6,242.62	6,586.45	343.83
35	35	Human Resources Management Department	4.83	5.00	0.17
36	38	Public Department	24.05	24.15	0.10
37	48	Transport Department	44,866.40	44,867.28	0.88
Total			7,75,259.37	8,14,831.37	39,572.00

(Source: Appropriation Accounts for the year 2021-22)

Appendix 3.12
(Reference: Paragraph 3.3.6.4)

List of Grants having Persistent Savings during 2017-2022

(₹ in crore)

Sl. No.	Name of the Grant	Amount of Savings				
		2017-18	2018-19	2019-20	2020-21	2021-22
	(A) Revenue – Voted					
1	02 - Governor and Council of Ministers	3.40 (9.61)	4.05 (9.31)	6.85 (15.07)	12.78 (27.14)	12.07 (26.02)
2	09 - Backward Classes, Most Backward Classes and Minorities Welfare Department	352.63 (36.64)	114.75 (11.20)	142.35 (14.80)	245.67 (24.55)	413.55 (38.76)
3	11 - Stamps and Registration (Commercial Taxes and Registration Department)	27.28 (9.18)	40.19 (12.42)	36.28 (9.74)	69.59 (17.12)	35.92 (7.96)
4	23 - Fire and Rescue Services (Home, Prohibition and Excise Department)	22.58 (8.42)	25.92 (7.51)	33.87 (9.44)	64.22 (17.18)	21.33 (5.58)
5	31 – Information Technology Department	49.66 (45.55)	35.61 (22.38)	46.98 (28.21)	45.00 (28.43)	19.70 (20.14)
6	35 - Personnel and Administrative Reforms Department	5.76 (5.73)	12.08 (10.11)	7.03 (5.53)	34.80 (23.59)	7.42 (5.22)
7	38 - Public Department	89.52 (18.88)	99.98 (18.65)	80.45 (8.53)	58.50 (9.29)	94.99 (8.15)
8	46 - Tamil Development (Tamil Development and Information Department)	9.89 (17.10)	20.18 (21.87)	5.97 (7.30)	9.59 (12.91)	11.86 (13.00)
9	47 - Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	28.42 (7.62)	28.89 (9.92)	26.61 (9.53)	125.30 (42.96)	38.66 (9.53)
10	49 - Youth Welfare and Sports Development Department	10.32 (5.62)	16.13 (6.93)	21.96 (6.89)	121.15 (43.65)	63.54 (28.19)
	(A) Revenue – Charged					
11	01 – State Legislature	0.20 (21.81)	0.27 (37.56)	0.17 (28.38)	0.22 (38.18)	0.28 (49.63)
12	02 - Governor and Council of Ministers	2.37 (15.21)	2.55 (17.52)	1.31 (7.59)	2.41 (13.64)	0.87 (5.23)
13	03 - Administration of Justice	27.82 (11.37)	52.35 (17.81)	71.26 (22.99)	65.08 (20.33)	29.93 (9.69)
14	19 - Health and Family Welfare Department	0.87 (45.37)	0.85 (59.67)	1.24 (81.79)	1.45 (53.56)	0.93 (49.88)
15	38 - Public Department	0.13 (27.80)	0.08 (21.20)	0.88 (25.68)	0.36 (70.29)	6.67 (64.34)
	(B) Capital - Voted					
16	04 - Adi-Dravidar and Tribal Welfare Department	143.46 (62.64)	75.90 (50.43)	42.55 (31.75)	103.95 (28.15)	177.91 (43.91)
17	05 - Agriculture and Farmer's Welfare Department	242.91 (55.57)	113.29 (24.53)	160.65 (37.72)	100.60 (25.97)	295.40 (53.77)
18	09 - Backward Classes, Most Backward Classes and Minorities Welfare Department	4.17 (12.99)	4.85 (21.28)	5.91 (58.39)	24.45 (25.50)	48.63 (54.74)
19	13 - Food and Consumer Protection (Co-operation, Food and Consumer Protection Department)	92.27 (32.16)	69.50 (32.36)	270.72 (55.96)	350.99 (97.12)	774.06 (89.21)
20	16 - Finance Department	2,000.00 (100)	768.90 (99.11)	768.41 (99.79)	500.00 (100)	572.64 (92.36)
21	20 - Higher Education Department	53.04 (34.08)	38.63 (10.21)	45.84 (19.18)	132.17 (48.88)	169.08 (48.50)
22	21 - Highways and Minor Ports Department	1,743.31 (20.11)	1,990.87 (20.82)	2,865.26 (23.63)	1,407.31 (56.65)	2,797.83 (17.29)
23	29 - Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	28.73 (40.55)	33.33 (53.29)	137.29 (69.40)	56.65 (27.38)	8.98 (16.40)
24	40 - Water Resources Department	1,730.56 (58.21)	1,336.56 (43.18)	1,514.88 (39.29)	1,534.52 (26.36)	1,329.78 (34.58)
25	43 - School Education Department	31.19 (8.40)	78.69 (23.20)	163.68 (42.59)	145.59 (43.45)	26.53 (15.23)

(₹ in crore)

Sl. No.	Name of the Grant	Amount of Savings				
		2017-18	2018-19	2019-20	2020-21	2021-22
	(B) Capital – Charged					
26	40 - Water Resources Department	4.29 (11.27)	12.02 (17.05)	55.69 (65.32)	4.35 (8.36)	2.66 (42.39)
	(C) Loan - Voted					
27	05 – Agriculture and Farmer's Welfare Department	130.02 (99.64)	130.00 (99.55)	130.54 (99.84)	130.14 (99.53)	130.00 (99.42)
28	15 – Environment and Climate Change (Environment, Climate Change and Forests Department)	19.30 (94.70)	20.00 (100)	20.00 (100)	1.05 (100)	1.15 (21.48)
29	16 - Finance Department	9.15 (5.86)	23.74 (17.99)	37.43 (28.52)	64.26 (50.81)	62.43 (48.40)
30	22 - Police (Home, Prohibition and Excise Department)	3.26 (50.47)	5.00 (71.44)	3.61 (72.29)	1.69 (5.87)	4.81 (29.10)

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

(Source: Appropriation Accounts for the respective years)

Appendix 3.13
(Reference: Paragraph 3.4.2)
Rush of Expenditure

Sl. No.	Grant No	Head of Account	Description	100% Expenditure during March 2022 (₹ in crore)
(A) Revenue – Voted				
1	03	2235.60.200.DI	Contribution to Advocates Welfare Fund	8.00
2	04	2225.01.277.AV	Special Scholarship Scheme to Scheduled Caste / Scheduled Tribe students who are at post-matric level	70.00
3	04	2225.01.277.KS	Educational Assistance for Meritorious Adi-Dravidar / Tribal Students to study in reputed schools	7.76
4	04	2225.01.277.SF	Government of India Pre-Matric Scholarship	83.63
5	04	2225.02.277.BH	Special incentive scheme to promote literacy among Tribal caste girls studying VI standard to VIII standard	1.35
6	04	2225.02.277.SD	Development of Particularly Vulnerable Tribal Groups	19.67
7	04	2225.02.794.SE	Implementation of Action Plan for Tribal Research Centre in Udhagamandalam	1.35
8	04	3604.00.200.BR	Devolution Grants to Rural Local Bodies for Providing basic amenities to Adi Dravidar habitations	100.00
9	05	2401.00.104.AG	Kalaingar's Integrated Village Agricultural Development Programme	227.06
10	05	2401.00.108.UD	Production and Distribution of dwarf and tall hybrid coconut seedlings	1.44
11	05	2401.00.108.VN	Production and Distribution of dwarf and tall hybrid coconut seedlings - State Share	1.44
12	05	2401.00.114.SC	Replanting and Rejuvenation of Coconut Gardens	6.53
13	05	2401.00.115.JI	Organising Small and Marginal Farmers into Farmer Producer Groups under Horticulture	25.09
14	05	2401.00.119.UH	National Bamboo Mission	1.38
15	05	2408.01.103.AB	Establishment of Mega Food Processing Park under NABARD (SFPP) Loan Assistance	54.48
16	07	2216.80.800.UA	Construction of houses for fishermen	3.12
17	07	2405.00.121.UA	Construction of houses for fishermen - State Share	5.80
18	09	2225.03.190.JA	Assistance to Tamil Nadu Backward Classes Economic Development Corporation for Subsidy to Backward and Most Backward Class farmers for Irrigation Facilities	3.50
19	09	2225.03.277.SA	Post-Matric scholarships to OBCs students - controlled by Director of Backward Classes and Minorities Welfare	4.14
20	09	2225.03.277.SB	Post-Matric scholarships to OBCs students - controlled by Director of Most Backward Classes and Denotified Communities	4.14
21	09	2225.03.277.UA	Pre-matric Scholarship to Other Backward Classes, Most Backward Classes and Denotified Communities Welfare Department	3.58
22	09	2225.03.277.UB	Pre-matric Scholarship to Other Backward Classes, Backward Classes and Minorities Welfare Department	5.85
23	09	2225.03.277.UD	Dr.Ambedkar Pre-matric and Post Matric Scholarship for Denotified Tribe Students	3.29
24	09	2225.03.277.UE	Pre-matric scholarship to Other Backward Classes, Backward Classes and Minorities Welfare Department - State Share	1.45
25	09	2225.03.277.UF	Pre-matric scholarship to Other Backward Classes, Most Backward Classes and Denotified Communities Welfare Department - State Share	1.45
26	14	2045.00.103.JC	Contribution to the State energy Conservation Fund	5.07
27	19	2210.01.110.AU	Tuberculosis Control and Chemotherapy	1.25

Sl. No.	Grant No	Head of Account	Description	100% Expenditure during March 2022 (₹ in crore)
28	19	2210.01.110.ME	Mesenchymal Stem Cell Secretome for treatment of non-healing Ulcers - Scheme under State Innovation Fund	7.78
29	19	2210.01.110.MF	Probiotic study of Fermented Rice (Pazhaya Sorru) for treatment of Ulcerative Colitis - Scheme under State Innovation Fund	2.44
30	19	2210.05.200.JC	Reimbursement of Tuition Fees for the First Generation Graduates	1.63
31	19	2210.80.793.UA	National Mission on AYUSH under Special Component Plan for Scheduled Castes	1.95
32	19	2210.80.793.UB	National Mission on AYUSH under Special Component Plan for Scheduled Castes - State Share	1.30
33	19	2210.80.800.UB	National Mission on AYUSH	13.28
34	19	2211.00.103.UE	Kind Grant under National Health Mission Schemes - State Share	55.70
35	19	2211.00.793.UE	Kind Grant under National Health Mission - State Share	16.34
36	20	2203.00.001.AE	Internship Training for the Students of Engineering and Polytechnic Colleges	16.60
37	20	2203.00.102.JK	Development of semi and fully Automated Intelligent Exo - Skeleted and Prosthetics for Disabled Communities	11.42
38	20	2203.00.112.AI	Assistance to Post Graduate Students	4.81
39	22	2052.00.090.CD	High Court Security - Deployment of the Central Industrial Security Force	5.16
40	22	2059.01.053.CU	Non Residential Buildings - Police Department - Administered by the Commissioner of Police, Chennai	1.75
41	26	2216.05.053.AA	Contribution for maintenance of Government Colonies	10.50
42	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
43	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	3.85
44	26	2216.80.103.AK	Grants to Tamil Nadu Slum Clearance Board for Payment of Property Tax on Slum Clearance Board Tenements	1.39
45	26	2217.05.190.JP	Grants to Chennai Metro Rail Limited as reimbursement of taxes / duties levied by the State	169.00
46	27	2852.08.204.UB	Assistance to CEMCOT for setting up of Infrastructure for Environment Management - State Share	1.59
47	27	2852.08.600.JB	Implementation of Structured Package of Assistance to Industrial Projects	5.00
48	31	2852.07.800.JM	Assistance from State towards establishment of State Data Centre	11.74
49	32	2230.03.003.PA	Two-tier Skill Development Centres under TNIPP Phase-2	16.20
50	32	2230.03.793.PA	Two-tier Skill Development Centres under TNIPP Phase-2	3.60
51	33	2202.03.102.AM	The Tamil Nadu Dr. Ambedkar Law University, Chennai	5.43
52	34	2215.01.800.JE	Grants to TNUDF for assisting Vellore Water Supply Scheme	90.24
53	34	2217.05.191.UG	Implementation of Swacch Bharat Mission in Corporations / Municipalities - State Share	149.70
54	34	2217.05.793.UB	Implementation of Swacch Bharat Mission in Town Panchayats	2.80
55	34	2217.05.793.UC	Implementation of Swacch Bharat Mission in Corporation/Municipalities - State Share	44.91
56	34	2217.05.794.UB	Implementation of Swacch Bharat Mission in Town Panchayats	1.20
57	34	2217.05.794.UC	Implementation of Swacch Bharat Mission in Corporation/Municipalities - State Share	19.25
58	34	2217.05.800.KA	Schemes implemented in Urban Local Bodies under Infrastructure and Amenities Fund	24.87
59	34	2217.05.800.PB	Result based grants for Urban Governance under TNSUDP	46.10

Sl. No.	Grant No	Head of Account	Description	100% Expenditure during March 2022 (₹ in crore)
60	34	2217.05.800.PC	Urban Sector Technical Assistance under TNSUDP	30.00
61	34	2217.05.800.UF	Implementation of Swacch Bharat Mission in Town Panchayats	9.32
62	34	3475.00.108.JF	Implementation of Urban Wage Employment Programme	75.00
63	34	3604.00.200.BN	Incentive to Urban Local Bodies	109.00
64	38	2235.01.800.AI	Transportation of deceased Non Resident Tamils / Repatriation of Tamil Nationals in distress/ medical invalidation	3.27
65	42	2216.03.789.JB	Roofing cost for construction of Concrete Houses for Scheduled Castes	356.95
66	42	2216.03.796.JB	Roofing cost for construction of Concrete Houses under Tribal Area Sub-Plan	6.05
67	42	2216.03.800.JA	Roofing cost for construction of Concrete Houses for Other Backward Classes	242.00
68	42	2235.02.103.BU	Grants for waiver of Co-operative Loans availed by Women Self Help Group from Co-operative Institutions	600.00
69	42	2515.00.102.AE	Provision of Basic Infrastructure facilities in Rural Areas - met from the fund for priority scheme	566.91
70	42	2515.00.102.KJ	Clean Village Campaign	3.23
71	42	2515.00.102.UB	Shyama Prasad Mukherji Rurban Mission (SPMRM)	21.60
72	42	2515.00.102.UD	Shyama Prasad Mukherji Rurban Mission (SPMRM) - State Share	14.40
73	42	3604.00.102.AA	Assignment under Global Sharing of Assigned Revenue to Rural Local Bodies - Stamp Duty	283.46
74	43	2202.01.103.AB	Residuary Grants to Panchayat Union Councils for Elementary Education	4.78
75	43	2202.01.800.BB	Assistance to the students studying 1 - 8 std. of Government/Aided Schools where breadwinning father or mother dies in an accident or permanently incapacitated - Controlled by the Director of Elementary Education	2.08
76	43	2202.01.800.BC	Free Supply of Text Books, Note Books, Uniforms, School Bags, Footwears, Crayons, Colour Pencils, Geometry Boxes, Maps, Woolen Sweaters etc.,	4.31
77	43	2202.01.800.JK	Free supply of Footwear to School going children	78.93
78	43	2202.02.106.JC	Supply of Text Books to Students	139.73
79	43	2202.02.109.KJ	Incentive to Students to reduce drop out in Secondary Education level	196.55
80	43	2202.02.110.AB	Anglo Indian Schools	23.60
81	43	2202.02.789.JH	Incentive to Students to reduce drop out in Higher Secondary Education level	72.26
82	43	2202.02.796.JB	Incentive to Students to reduce drop out in Secondary Education level	20.23
83	43	2202.02.800.JP	Assistance to the students studying 9 -12 std. of Government/Aided Schools where breadwinning father or mother dies in an accident or permanently incapacitated - Controlled by the Director of School Education	10.68
84	43	2202.02.800.JS	Free supply of Footwear to School going children	59.24
85	43	2225.01.789.JD	Supply of Text Books under Special Component Plan under School Education	59.88
86	43	2225.01.789.JE	Free supply of Footwear to School going children under Elementary Education	25.60
87	43	2225.01.789.JF	Free supply of Footwear to School going children under School Education	20.01
88	44	2851.00.102.ND	Micro, Small and Medium Enterprises Promotional Activities	5.00
89	44	2851.00.110.UF	Upgradation and Modernization of Common Effluent Treatment Plants (CETPs) in Tamil Nadu - State Share	3.92

Sl. No.	Grant No	Head of Account	Description	100% Expenditure during March 2022 (₹ in crore)
90	44	2852.80.800.JQ	Setting up of an autonomous body under MS&ME Trade and Investment Promotion Bureau (M-TIPB)	1.63
91	45	2235.02.103.BQ	Scheme for Supply of Sewing Machines	1.35
92	45	2235.02.104.KP	Integrated Complex of Special Homes for Senior Citizens and Destitute Children	5.90
93	49	2204.00.104.AS	Grants to Sports Development Authority of Tamil Nadu for Financial Assistance to Sports Associations	1.71
94	49	2204.00.104.AT	Grants to Sports Development Authority of Tamil Nadu for maintenance of Sports Stadia	4.68
95	49	2204.00.104.KS	Grants to Sports Development Authority of Tamil Nadu towards Sports Development Programmes	1.28
96	49	2204.00.104.KT	Grants to Sports Development Authority of Tamil Nadu for Chief Minister's Awards and Trophies	4.16
97	50	2071.01.117.AB	Government Contribution for Employees of Tamil Nadu Aided Educational Institutions	308.95
98	50	2071.01.117.AC	Government Contribution for Employees of Panchayat Union Schools	176.25
99	50	2071.01.117.AD	Government Contribution for Employees of Municipal Schools	12.85
100	51	2245.80.800.AJ	Livelihood support to tackle COVID-19 lockdown - cash support to Rice family cardholders	8,392.76
101	52	2235.02.101.CQ	Supply of Motorised Sewing Machines	1.46
102	52	2235.02.101.DM	Smart phones to hearing and visually impaired persons	10.88
103	54	3054.04.337.AK	Maintenance and Improvements of Roads in Forest Area	3.53
(B) Capital - Voted				
104	04	4225.01.277.JM	Construction of Hostels with Loan assistance of NABARD	8.68
105	04	4225.01.277.JN	Upgrading infrastructure facilities in the Schools of Adi-Dravidar and Tribal Welfare Department with loan assistance of NABARD under RIDF	64.39
106	04	4225.02.277.KA	Construction of new buildings and repairs to the existing Tribal Hostels / GTR Schools	4.50
107	04	4225.02.800.AA	Provision of Infrastructure facilities to Tribal Habitations	20.27
108	22	4055.00.211.AK	Payment to Tamil Nadu Police Housing Corporation for construction works controlled by Director General of Police	2.85
109	22	4055.00.211.JD	Payment to Tamil Nadu Police Housing Corporation for construction of Own Building for Police Stations - controlled by the DGP	3.87
110	26	4217.60.190.JY	State Government share in Extension of MRTS from Velacherry to St.Thomas Mount	50.00
111	29	5452.01.101.LD	Tourism Promotion Project	29.50
112	34	4217.60.190.JV	Share Capital Assistance for Chennai Rivers Restoration Trust	2.00
113	34	4217.60.190.KF	Restoration of Adayar Drains, Cooum Drains and Buckingham Canal	25.00
114	34	4217.60.800.AB	Share Capital assistance for Integrated Storm Water Drain in Kosasthalaiyar Basin	87.00
115	39	4059.60.051.UB	Buildings	2.57
116	39	4210.01.051.SA	Construction of building for National Centre of Ageing at King Institute and preventive Medicine, Guindy, Chennai	1.83
117	42	4515.00.103.JC	Implementation of Road Works with NABARD assistance	112.50
118	42	4515.00.789.JD	Implementation of Road Works with NABARD assistance under Special Component Plan for Scheduled Castes - Controlled by DRD	33.75
119	54	4406.01.101.JK	Construction of concrete wall and bio fencing to protect Reserve Forests in and around Chennai from encroachment / Garbage dumping	2.08

Sl. No.	Grant No	Head of Account	Description	100% Expenditure during March 2022 (₹ in crore)
120	54	4406.01.800.JZ	Implementation of Schemes in Forest Department with Loan Assistance from NABARD	1.58
(C) Loan – Voted				
121	27	6860.60.600.AC	Soft loans to Industrial units under Structured Assistance Package - Controlled by the Industries Commissioner and Director of Industries and Commerce	200.00
122	34	6217.60.190.PJ	Loans to TNUDF for implementation of Sustainable Municipal Infrastructure Financing in Tamil Nadu - Phase - II Part 2 with the assistance of German Development Bank (KfW)	17.00
123	34	6217.60.190.PR	Loans for construction for Integrated Storm Water Drain in Kosasthalaiyar basin with the assistance of ADB	200.00
124	48	7055.00.190.PA	Loans to State Transport Undertakings with German Development Bank (KfW) Assistance	2.25
		Total		14,247.45

(Source: Appropriation Accounts for the year 2021-22)

Appendix 4.1
(Reference: Paragraph 4.4)

List of outstanding Utilisation Certificates

Sl. No.	Name of the Department	Year of UC due	No. of UCs due	Amount (₹ in crore)
1	Directorate of Rural Development and Panchayat	2020-21	2	7.50
2	Directorate of Rural Development and Panchayat	2021-22	8	427.50
3	Commissionerate of Industries and Commerce	2016-17	1	9.00
4	Commissionerate of Industries and Commerce	2017-18	1	9.56
5	Commissionerate of Industries and Commerce	2019-20	1	3.41
6	Commissionerate of Industries and Commerce	2020-21	3	13.75
7	Commissionerate of Industries and Commerce	2021-22	2	3.08
8	Registrar of Co-operative Society	2021-22	3	0.92
9	Commissionerate of Municipal Administration	2019-20	1	3.41
10	Commissionerate of Municipal Administration	2020-21	2	54.74
11	Directorate of Employment and Training	2019-20	3	20.00
12	Chennai Metropolitan Water Supply and Sewerage Board	2020-21	1	6.27
13	Chennai Metropolitan Water Supply and Sewerage Board	2021-22	1	172.89
14	Tamil Nadu Veterinary and Animal Science University	2021-22	1	2.32
15	Tamil Nadu Agricultural University, Coimbatore	2021-22	1	40.98
16	Directorate of Agriculture	2021-22	1	0.72
17	Directorate of Town and Country Planning	2017-18	1	21.00
18	Directorate of Medical Education	2018-19	1	6.24
Total			34	803.29

(Source: Notes to Accounts 2021-22)

Appendix 4.2
(Reference: Paragraph 4.8)
Expenditure under Minor Head '800 – Other expenditure'

(₹ in crore)

Sl. No.	Major Head	Expenditure under Minor Head '800' upto 03/2022	Total Expenditure upto 03/2022	Percentage
1	4070-Capital Outlay on Other Administrative Services	166.72	166.72	100.00
2	4236-Capital Outlay on Nutrition	67.16	67.16	100.00
3	4700-Capital Outlay on Major Irrigation	2,131.46	2,131.46	100.00
4	4701-Capital Outlay on Medium Irrigation	184.91	184.91	100.00
5	2711-Flood Control and Drainage	160.89	163.03	98.69
6	4408-Capital Outlay on Food, Storage and Warehousing	88.17	89.52	98.49
7	2245-Relief on account of Natural Calamities	9,282.99	9,704.44	95.66
8	2852-Industries	1,744.63	1,891.60	92.23
9	2425-Co-operation	6,151.46	7,321.13	84.02
10	3435-Ecology and Environment	4.23	5.54	76.39
11	4217-Capital Outlay on Urban Development	5,651.61	8,453.54	66.86
12	2075-Miscellaneous General Services	427.78	762.43	56.11

(Source: Notes to Accounts 2021-22)

Appendix 4.3
(Reference: Paragraph 4.8)
Receipts under Minor Head ‘800 – Other receipts’

(₹ in crore)

Sl. No.	Major Head	Receipts under Minor Head ‘800’ upto 03/2022	Total Receipts upto 03/2022	Percentage
1	0515-Other Rural Development Programmes	6.01	3.92	153.19
2	0217-Urban Development	742.66	742.58	100.01
3	0211-FamilyWelfare	187.81	187.81	100.00
4	0215-Water Supply and Sanitation	0.49	0.49	100.00
5	0408-Food Storage and Warehousing	0.01	0.01	100.00
6	0415-Agricultural Research and Education	0.94	0.94	100.00
7	1055-Road Transport	0.41	0.41	100.00
8	1056-Inland Water Transport	0.27	0.27	100.00
9	1452-Tourism	4.93	4.93	100.00
10	1456-Civil Supplies	7.74	7.74	100.00
11	0250-OtherSocialServices	89.11	89.84	99.19
12	0235-Social Security and Welfare	98.72	99.67	99.06
13	0435-Other Agricultural Programmes	57.86	64.62	89.54
14	0425-Co-operation	26.64	30.68	86.83
15	0070- Other Administrative Services	733.66	845.06	86.82
16	1054-Roads and Bridges	98.00	118.13	82.96
17	0029-Land Revenue	166.69	205.18	81.24
18	0702-Minor Irrigation	2.05	2.58	79.63
19	0403-AnimalHusbandry	9.35	13.22	70.71
20	0406-Forestry and Wildlife	57.15	83.37	68.55
21	0075- Miscellaneous General Services	665.21	1,009.49	65.90
22	0701-Major and Medium Irrigation	41.15	66.29	62.08
23	0049-Interest Receipts	2,003.46	3,917.94	51.14

(Source: Notes to Accounts 2021-22)

Appendix 4.4
(Reference: Paragraph 4.14)
List of Bodies and Authorities, the accounts of which
had not been received as at the end of 2021-22

Sl. No.	Name of the body/authority	Year for which accounts have not been received	No. of Accounts pending up to F.Y 2021-22
Universities			
1	Tamil Nadu Teachers Education University	2017-18 to 2021-22	5
2	Anna University, Chennai – 600 025	2018-19 to 2021-22	4
3	Bharathiar University, Coimbatore – 641 046	2021-22	1
4	Bharathidasan University, Trichy	2015-16, 2017-18, 2020-21, 2021-22	4
5	Madurai Kamarajar University, Madurai	2016-17, 2017-18, 2020-21, 2021-22	4
6	Manonmaniam Sundaranar University, Tirunelveli	2020-21, 2021-22	2
7	Mother Teresa Women's University, Kodaikanal – 624 102	2017-18, 2018-19, 2020-21, 2021-22	4
8	Shri. Chandrasekarendra Saraswathi Vishva Vidyalaya	2013-14 to 2021-22	9
9	Thiruvallur University, Fort Campus, Vellore – 632 004	2020-21, 2021-22	2
10	University of Madras, Chennai – 600 005	2015-16, 2016-17, 2018-19, 2019-20, 2020-21, 2021-22	6
11	Tamil Nadu Open University, Guindy, Chennai – 600 025	2021-22	1
12	Annamalai University, Chidambaram	2017-18, 2018-19, 2019-20, 2020-21, 2021-22	5
13	Tamil University, Thanjavur	2021-22	1
Engineering Colleges			
14	PSG College of Technology	2020-21, 2021-22	2
15	Thiyagarajar College of Engineering	2021-22	1
16	Coimbatore College of Engineering	2019-20 to 2021-22	3
Arts & Science Colleges			
17	A. Veeraiya Vandayar Memorial Sri Pushpam College, Kudikadu, Poondi -613 503.	2021-22	1
18	Ambai Arts College, Ambasamudram – 627 401	2021-22	1
19	Annammal College of Education for Women, Tiruchendur Road, Tuticorin – 628 003.	2021-22	1
20	Arignar Anna Collge, Aralvoymoli – 629 301.	2019-20 & 2021-22	2
21	C. Abdul Hakeem College, Melvisharam – 632 509.	2021-22	1
22	D.R.B.C.C.C. Hindu College, Pattabiram, Chennai – 600 072	2021-22	1
23	G. Venkataswamy Naidu College, Kovilpatti – 628 502	2021-22	1
24	Holy Cross College, Nagercoil – 629 004.	2019-20 & 2020-21	2
25	Jamia Darussalam Arabic College, Oomerabad – 635 808.	2021-22	1
26	Khadir Mohideen College, Adirampattinam – 614 704	2019-20	1

Sl. No.	Name of the body/authority	Year for which accounts have not been received	No. of Accounts pending up to F.Y 2021-22
27	Lakshmiapuram College of Arts And Science, Neyoor – 629 802	2017-18 to 2021-22	5
28	Madras Christian College, Tambaram, Chennai – 600 059.	2021-22	1
29	Mazharul Uloom College, Ambur – 635 802.	2021-22	1
30	Meenakshi College for Women, Arcot Road, Kodambakkam, Chennai – 600 024	2021-22	1
31	Nesamony Memorial Christian College, Marthandam – 629 165.	2021-22	1
32	Pasumpon Muthu Ramalinga Thevar College, Usilampatti, Madurai.	2020-21 & 2021-22	2
33	Pasumpon Muthu Ramalinga Thevar College, Melaneelithanallur – 627 953	2017-18 to 2021-22	5
34	Poompuhar College, Melaiyur, Mayiladuthurai – 609 107	2018-19, 2019-20 & 2021-22	3
35	Sacred Heart College, Tirupathur – 635 601.	2021-22	1
36	Shrimathi Devkumar Nanalal Bhatt Vaishnav College for Women, Chromepet, Chennai – 600 044.	2020-21	1
37	Sree Devi Kumari Women's College, Kuzhithurai – 629 163	2021-22	1
38	Sri Kumara Gurupara Swamigal Arts College, Arul Nandhi Nagar, Padmanabha Mangalam, Srivaikundam 628 619.	2019-20 to 2021-22	3
39	Sri Sathguru Sangeetha Vidyalayam College of Music, 154, Gokhale Road, Tallakulam, Madurai 625 002.	2020-21 & 2021-22	2
40	Sri-La-Sri Kasivasi Swaminatha Swamigal Arts College, Tirupanandal - 612 504.	2021-22	1
41	S.T. Hindu College, Nagercoil – 629 002.	2021-22	1
42	The Madras School of Social Work, 32, Casa Major Road, Egmore, Chennai – 8.	2021-22	1
43	Thiruvalluvar College, Pothigyaadi, Vickrama Singapuram, Papanasam 627 425	2019-20 to 2021-22	3
44	Tirunelveli Dakshina Mara Nadar Sangam College, T. Kallikulam – 627 113	2019-20 to 2021-22	3
45	Tranqueber Bishop Manikam Lutheran College, Porayar – 609 107	2017-18 to 2020-21	4
46	V.O. Chidambaram College of Education, Tuticorin – 628 008.	2018-19 & 2021-22	2
47	Vivekananda College, Agasteeswaram – 629 701	2021-22	1
48	APC Mahalakshmi College for Women, Tuticorin – 628 002	2021-22	1
49	Aditanar College of Arts and Science, Virapandianpattinam, Tiruchendur - 628 002.	2019-20 to 2021-22	3
50	Arul Anandar College, Karumathur, Madurai – 626 514.	2021-22	1
51	Arulmigu Palani Andavar College of Arts And Culture, Palani – 624 602.	2020-21	1
52	Arumugam Pillai Seethai Ammal College, Madurai Road, Tirupathur – 630 211. Sivagangai	2021-22	1
53	Auxilium College for Women, 17th East Main Road, Gandhi Nagar, Katpadi, Vellore - 632 006.	2017-18 to 2021-22	5
54	AVC College, Mannampandal, Mayiladuthurai – 609 305.	2019-20	1
55	Ayya Nadar Janaki Ammal College, Sivakasi – 626 123.	2017-18, 2018-19 & 2021-22	3
56	Bishop Heber College, PB No. 615, Trichy, 620 017.	2021-22	1
57	C. Kanda Swamy Naidu College for Men, Anna Nagar, Chennai – 600 102.	2021-22	1

Sl. No.	Name of the body/authority	Year for which accounts have not been received	No. of Accounts pending up to F.Y 2021-22
58	CBM College, Sakethapuri, Kovaipudur, Coimbatore.	2021-22	1
59	Devanga Arts College, Aruppukottai – 626 101.	2020-21 & 2021-22	2
60	Dhanabagiyam Krishna Swamy Mudaliar College for Women, Sainathapuram, Vellore - 632 001.	2020-21	1
61	Dharmapuram Adinam Arts College, Dharmapuram, Mayiladuthurai – 609 001	2020-21	1
62	EM Gopalakrishna Kone Yadava Women's College, Madurai 625 014.	2021-22	1
63	Emerald Heights College for Women, Fingerpost, Nilgiris, Udhagamandalam 643 006.	2021-22	1
64	Fatima College, Maryland, Madurai 625 018.	2021-22	1
65	Ganesar Senthamil College, Sanmargasabai, Melaisivapuri, Pudukottai – 622 403.	2021-22	1
66	Gobi College of Arts and Science, Karattadipalayam, Gobichettipalayam, Erode - 453.	2019-20 to 2021-22	3
67	GTN Arts College, GTN Nagar, Dindigul 624 004.	2020-21 & 2021-22	2
68	Islamiah College, New Town, Vaniyambadi – 635 752.	2019-20 & 2020-21	2
69	Jayaraj Annapackiam College, Mount St. Anne, Thamarakulam, Periakulam 626 501.	2020-21	1
70	Justice Bahseer Ahmed Syed Women's College, 309, Anna Salai, Teynampet, Chennai – 600 018.	2021-22	1
71	Kalai Kaviri College of Arts, 18, Benwalls Rd, Trichy .	2017-18, 2019-20, 2020-21 & 2021-22	4
72	Kamaraj College, Tuticorin – 628 003.	2021-22	1
73	Kandaswami Kandar's College, Vellore, Salem – 638 182.	2021-22	1
74	Kongunadu Arts and Science College, Gnanambigai Mills, Coimbatore - 641 029.	2019-20 & 2021-22	2
75	Lady Doak College, Madurai 625 002.	2020-21 & 2021-22	2
76	Lakshmi College of Education, Gandhigram Post, Dindigul - 624 302.	2021-22	1
77	Madura College, Madurai 625 001.	2021-22	1
78	Madurai Institute of Social Sciences, Alagarkoil Rd, Madurai - 625 002.	2021-22	1
79	Mannar Thirumalai Naicker College, Pasumalai, Madurai - 4.	2018-19 & 2021-22	2
80	Meston College of Education, 13, Westcott Rd, Royapettah, Chennai – 14.	2019-20	1
81	Nadar Mahajana Sangam, S. Vellaichamy Nadar College, Nagamalai, Madurai.	2021-22	1
82	Nallamuthu Gounder Mahalingam College, Pollachi – 642 001.	2017-18 to 2021-22	5
83	Nazareth Margosis College, Pillayarmanai, Nazareth – 628 617.	2019-20	1
84	Nirmala College for Women, Redfields, Coimbatore - 18.	2021-22	1
85	NKT National College of Education, 21, Dr. Besant Rd, Triplicane, Chennai – 600 005.	2020-21	1
86	NVKSD College of Education, Attoor Tiruvattar Kanyakumari District. 629 191.	2021-22	1
87	Pachaiyappa's College, Periyar EVR High Road, Chetput, Chennai – 600 030.	2021-22	1
88	Pachaiyappa's College for Men, Kancheepuram 631 503.	2021-22	1

Sl. No.	Name of the body/authority	Year for which accounts have not been received	No. of Accounts pending up to F.Y 2021-22
89	Pasumpon Thiru. Muthu Ramalinga Thevar Memorial College, Kottimedu, Kamuthi, Ramanathapuram 623 604	2018-19	1
90	Popes College, Sawyerpuram – 628 251.	2020-21 & 2021-22	2
91	PSG College of Arts and Science -Autonomous, Civil Aerodrome, Coimbatore - 641 014.	2019-20 & 2020-21	2
92	PSGR Krishammal College for Women, Peelamedu, Coimbatore - 641 004.	2017-18, 2019-20 & 2020-21	3
93	Quaid-E-Millath College for Men, Velachery Rd., Medavakkam, Chennai-73.	2021-22	1
94	Rajah's College of Sanskrit, Tamil and Music Studies, Thiruvaiyaru –613 204.	2020-21 & 2021-22	2
95	Rajapalayam Rajus College Rajapalayam - 626 117.	2018-19 & 2019-20	2
96	Ramaswamy Tamil College, Kandanur Rd., Alagappapuram, Karaikudi - 623 001.	2017-18 to 2021-22	5
97	Sadakathulla Appa College, Rahmath Nagar, Palayamkottai, Tirunelveli - 627 007.	2019-20 to 2021-22	3
98	Saiva Bhanu Kshatriya College Aruppukottai – 626 101.	2017-18 to 2021-22	5
99	Sarah Tucker College, College Road, Perumalpuram, Tirunelveli - 627 007.	2020-21 & 2021-22	2
100	Scott Christian College, KP Road, Nagercoil – 629 003.	2021-22	1
101	Seethalakshmi Ramaswami College For Men, PB No.349, Trichy 620 002.	2019-20 to 2021-22	3
102	Senthamil College, Tamil Sangam Salai, Madurai - 625 001.	2020-21 & 2021-22	2
103	Senthamil Oriental College, Tamil Sangam Salai, Madurai - 625 001.	2021-22	1
104	SIVET College, Gowrivakkam, Chennai – 601 302.	2018-19	1
105	Sourashtra College, Pasumalai, Madurai.	2019-20 to 2021-22	3
106	Sree Sevugan Annamalai College, Devakottai Extn, - 630 303.	2017-18	1
107	Sri GVG Visalakshi College for Women, Venkatesa Mills, Udumalpet – 642 128	2017-18 to 2021-22	5
108	Sri Paramakalyani College, Alwarkurichi – 627 412	2018-19	1
109	Sri Parasakthi College for Women, Courtalam – 627 802	2021-22	1
110	Sri Ramakrishna Mission Vidyala Maruthi College of Physical Education, Perianaickenpalayam, Coimbatore - 641 020.	2021-22	1
111	Sri Ramakrishna Mission Vidyalaya College of Education, Coimbatore.	2021-22	1
112	Sri Ramakrishna Mission Vidyalaya College of Arts And Science, Coimbatore - 641 020.	2018-19, 2019-20 & 2021-22	3
113	Sri S Ramaswamy Naidu Memorial College, Sattur – 626 203.	2018-19	1
114	Sri Sarada College for Women, Fairlands, Salem - 636 016.	2017-18	1
115	Sri Vasavi College, Erode - 638 316.	2019-20	1
116	Srimath Siva Gnana Balaya Swamigal Tamil College, Mailam – 604 304.	2018-19 & 2021-22	2
117	St. Ignatius College of Education, Palayamkottai – 627 002	2020-21	1
118	St. Christopher's College of Education, 63, EVK Sampath Road, Vepery, Periyamet, Chennai – 600 007.	2017-18, 2018-19, 2019-20 & 2021-22	4

Sl. No.	Name of the body/authority	Year for which accounts have not been received	No. of Accounts pending up to F.Y 2021-22
119	St. Johns College, Palayamkottai, Tirunelveli – 627 002	2021-22	1
120	St. Joseph's College, Teppakulam, Trichy 620 002.	2020-21	1
121	St. Justin College of Education, 161, A. Kamarajar Salai, Madurai - 625 009.	2021-22	1
122	St. Mary's College, Tuticorin – 628 001.	2020-21 & 2021-22	2
123	St. Xavier's College, Palayamkottai, Tirunelveli – 627 002	2021-22	1
124	St. Xavier's College of Education, Palayamkottai, Tirunelveli – 627 002	2019-20, 2020-21	2
125	Thavathiru Santhalinga Adigalar Arts, Science and Tamil College, Perur, Coimbatore - 10.	2021-22	1
126	The American College, Goripalayam, Madurai 625 002.	2020-21 & 2021-22	2
127	The Ethiraj College for Women, Ethiraj Salai, Chennai – 600 008.	2019-20	1
128	The Madura Diraviyam Thayumanavar Hindu College, Tirunelveli 627 010.	2020-21 & 2021-22	2
129	The New College, Royapettah, Chennai – 600 014.	2021-22	1
130	The Standard Fire Works Rajaratnam College for Women, Sivakasi - 626 123.	2018-19	1
131	The Women's Christian College, College Rd, Nungambakkam, Chennai – 600 006.	2019-20	1
132	Thiagarajar College of Preceptors, Madurai - 625 009.	2017-18 & 2021-22	2
133	Thiagarajar College, Kamarajar Salai, Madurai - 625 009.	2021-22	1
134	Urumbu Dhanalakshmi College, Kattur, Trichy 620 019.	2019-20 to 2021-22	3
135	V.O. Chidambaram College, Tuticorin – 628 008.	2018-19 & 2021-22	2
136	Vellalar College for Women, Thindal (PO), Erode - 638 012.	2021-22	1
137	Virudhunagar Hindu Nadar's Senthil Kumara Nadar College, Virudhunagar 626 001.	2021-22	1
138	Vivekananda College, Tiruvedagam West, Madurai - 625217.	2021-22	1
139	Voorhees College, 1, Officers Line, Voorhees College Compound, Vellore 632 001.	2021-22	1
140	Women's Christian College, Nagercoil – 629 001.	2017-18 to 2021-22	5
141	Yadava College, Govinda Rajan Campus, Tiruppalai, Madurai - 625 014.	2021-22	1
142	YMCA College of Physical Education, Nandanam, Chennai -35.	2017-18 to 2020-21	4
Polytechnics			
143	A.D.J. Dharmambal Polytechnic College, Nagapattinam – 611 001	2020-21, 2021-22	2
144	A.M.K. Technology Polytechnic College, Chennai-Bangalore Road, Sembarambakkam, Chennai – 602 103	2019-20 to 2021-2022	3
145	Annamalai Polytechnic College, Chettinad – 632 102	2019-20 to 2021-2022	3
146	Ayya Nadar Janaki Ammal Polytechnic Collegefor women, Chinnakkamanpatti, Sivakasi East – 626 189	2020-21, 2021-21	2
147	Bhaktavachalam Polytechnic College, Kariapettai, Kanchipuram – 631 552	2017-18 to 2021-22	5
148	CIT Sandwich Polytechnic College, Aerodrome Post, Coimbatore – 641 014	2019-20 to 2021-2022	3

Sl. No.	Name of the body/authority	Year for which accounts have not been received	No. of Accounts pending up to F.Y 2021-22
149	GRG Polytechnic College for Women, Kuppepalayam, Sarcarsamkulam, Coimbatore – 641 107	2019-20 to 2021-2022	3
150	Kamaraj Polytechnic College, Pazhavilai, Kanyakumari– 629 501	2021-22	1
151	Mohammed Sathak Polytechnic College, Chairman Sathak Salai, P.B.No.5, Kilakarai – 623 806	2019-20 to 2021-2022	3
152	Murugappa Polytechnic College, Sathiyamurthy Nagar, Thirumullaivoil Village, Avadi, Chennai – 600 062	2019-20 to 2021-2022	3
153	Muthaiah Polytechnic College	2021-22	1
154	Nachimuthu Polytechnic College, Mackinaickenpatty Post, Pollachi -642 003	2021-22	1
155	NPA Centenary Polytechnic College, Belvedeve, Kothagiri – 643 217	2021-22	1
156	P.T. Lee Chengalvaraya Naickar Polytechnic, Vepery, Chennai – 600 007	2017-18 to 2021-22	5
157	PAC Ramasamy Raja Polytechnic College, Kumarasamy Raja Nagar P.O. Rajapalayam -626 108	2019-20 to 2021-2022	3
158	Pattukottai Polytechnic College, Pattukkottai	2019-20 to 2021-2022	3
159	Periyar Centenary Girls Polytechnic College, Vallam – 613 403	2019-20 to 2021-2022	3
160	PSG Polytechnic College, P.B.No.1611, Peelamedu, Coimbatore – 641 004	2021-22	1
161	PSN Ramasamy Ayyar Memorial Polytechnic College for Girls, P.B.No.349, Trichy – 620 002	2019-20 to 2021-2022	3
162	Rajagopal Polytechnic College, Gandhi Nagar, Gudiyatham – 632 604	2020-21, 2021-22	2
163	Ramakrishna Mission Polytechnic College, 101, Sir P.S. Sivaswamy Salai, Mylapore, Chennai – 600 004	2021-22	1
164	Rukmani Shanmugam Polytechnic College, Varichiyur, Madurai – 625 020	2018-19 to 2021-22	4
165	Sakthi Polytechnic College, Sakthinagar – 638 315	2021-22	1
166	Sankar Polytechnic College, Talaiyuthu R.S. Sankarnagar – 627 357	2020-21,2021-22	2
167	Seshasayee Institute of Technology, Trichy	2020-21, 2021-22	2
168	Sri Krishna Polytechnic College, Kovaipudur Coimbatore – 641102	2019-20 to 2021-22	3
169	Sri Ramakrishna Mission Vidyalaya Polytechnic College, Coimbatore – 641 020	2020-21, 2021-22	2
170	SSM Polytechnic College , SSM Nagar, Valayakarnoor, Komarapalayam – 638 183	2021-22	1
171	Thiyagarajar Polytechnic College, Salem – 636 005	2020-21, 2021-22	2
172	Vallivalam Desikar polytechnic, Nagapattinam – 611 001	2019-20 to 2021-22	3
173	VSV Nadar Polytechnic College, Virudhunagar – 626 001	2021-22	1
Others			
174	Director, Avinashilingam Educational Trust, Social Welfare, Coimbatore	2016-17 to 2021-22	6
175	Director, Kuppuswamy Shastri Research Institute, Royapettah, Chennai	2016-17 to 2021-22	6

Sl. No.	Name of the body/authority	Year for which accounts have not been received	No. of Accounts pending up to F.Y 2021-22
176	Director, New Century Welfare Society, Social Welfare, Ambattur, Chennai	2016-17 to 2021-22	6
177	Director, Society for Community Organisation, Trichy	2014-15 to 2021-22	8
178	Director, Womens Indian Association, Chepauk, Chennai	2007-08 to 2021-22	15
179	Director, Womens Voluntary Service of Tamil Nadu, Chetpet, Chennai	2014-15 to 2021-22	8
180	Secretary, Avvai Home, Adyar, Chennai	2015-16 to 2021-22	7
181	Secretary, Tamil Nadu Basketball Association	2008-09 to 2021-22	14
182	Director, Kandaswamy Kandars Trust, Namakkal	2017-18 to 2021-22	5
183	Director Spastic Society of Tamil Nadu	2017-18 to 2021-22	5
184	Director, Stree Seva Mandir, Chennai	2017-18 to 2021-22	5
185	Secretary, Andhra Mahila Sabha	2017-18 to 2021-22	5
186	Director, Tamil Nadu Social Welfare Board	2018-19 to 2021-22	4
187	Tamil Nadu Health System Project	2005-06, 2007-08 and from 2016-17 to 2021-22	8
188	District Blindness Control Society, Salem	2015-16 to 2021-22	7
189	State TB Society	2005-06 to 2021-22	17
190	Cancer Institute (WIA) Adyar, Chennai	2019-20 & 2021-22	3
191	Voluntary Health Services	2017-18 to 2021-22	5
192	Schieffelin Institute of Health Research & Leprosy Centre	2016-17 to 2021-22	6
193	Jeevan Blood Bank and Research Centre	2017-18 to 2021-22	5
194	Headmaster, Little flower convent HSS for deaf, Chennai	2011-12 to 2021-22	11
195	Head Mistress, Little flower convent HSS for Blind, Chennai	2014-15 to 2021-22	8
196	Tamil Nadu Manual Workers' Welfare Board	2017-18 to 2021-22	5
197	Tamil Nadu Labour Welfare Board	2019-20 & 2021-22	3
198	Tamil Nadu Institute of Labour Studies	2019-20 & 2021-22	3
199	St Louis Institute for Deaf & Blind	2012-13 to 2021-22	10
200	Tamil Nadu Waqf Board	2013-14 to 2021-22	9
201	Science City	2010-11 to 2021-22	12
202	District Forest Development Agency, Vellore	2019-20 & 2020-21	2
203	District Forest Development Agency, Kanchipuram	2011-12 to 2020-21	10
204	District Forest Development Agency, Tiruvannamalai	2010-11 to 2020-21	11
205	District Forest Development Agency, Sivaganga	2020-21	1
206	District Forest Development Agency, Srivilliputhur	2020-21	1
207	District Forest Development Agency, Nagapattinam	2011-12 to 2020-21	10
208	District Forest Development Agency, Thanjavur	2011-12 to 2020-21	10
209	District Forest Development Agency, Theni	2018-19 to 2020-21	3

Sl. No.	Name of the body/authority	Year for which accounts have not been received	No. of Accounts pending up to F.Y 2021-22
210	District Forest Development Agency, Tiruvallur	2018-19 to 2020-21	3
211	District Forest Development Agency, Pudukkottai	2019-20 & 2020-21	2
212	District Forest Development Agency, Trichy	2018-19 to 2020-21	3
213	District Forest Development Agency, Tiruppathur	2015-16 to 2018-19, 2020-21	5
214	District Forest Development Agency, Madurai	2020-21	1
215	Tamil Nadu Pollution Control Board	2014-15 to 2020-21	7
216	Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB)	2020-21 & 2021-22	2
217	Tamil Nadu Urban Habitat Development Board	2018-19, 2019-20, 2020-21, 2021-22	4

(Source: Information furnished by Head of Departments)

Appendix 4.5

(Reference: Paragraph 4.16)

Department/category-wise details of loss to Government
due to theft, shortage and misappropriation

Sl. No.	Name of the department	Theft		Shortage		Misappropriation		Total	
		Number of cases	Amount (₹ in lakh)	Number of cases	Amount (₹ in lakh)	Number of cases	Amount (₹ in lakh)	Number of cases	Amount (₹ in lakh)
1	Agriculture	5	3.83	95	130.70	15	221.86	115	356.39
2	Animal Husbandry	4	0.04	1	0.04	1	87.85	6	87.93
3	Higher Education	8	1.08	6	16.29	8	34.81	22	52.18
4	Commercial Tax	--	--	--	--	3	127.68	3	127.68
5	Co-operation	1	0.02	--	--	1	0.14	2	0.16
6	Election	--	--	1	0.23		--	1	0.23
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	0.96	1	--	6	22.54	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	5.69	6	6.87
17	Museum	--	--	--	--	1	14.57	1	14.57
18	Public Works	--	--	9	3.46	--	--	9	3.46
19	Rural Development and Panchayat Raj	--	--	3	3.13	1	7.16	4	10.29
20	Revenue	--	--	2	1.27	116	187.92	118	189.19
21	School Education	--	--	1	12.16	4	38.12	5	50.28
22	Sericulture	1	0.05	--	--	1	1.36	2	1.41
23	Social Welfare	--	--	--	--	5	2.32	5	2.32
24	Transport	1	1.97	--	--	1	12.80	2	14.77
25	Treasury	--	--	1	4.00	--	--	1	4.00
Total		30	11.50	135	204.76	196	1,236.44	361	1,452.70

(Source: Information furnished by the Heads of Departments)

Glossary of terms and abbreviations used in the Report

Terms	Description
Accounts or actuals	‘Accounts’ or ‘actuals’ of a year - are the amounts of receipts and disbursements for the financial year beginning on April 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.

Terms	Description
Excess Grant	‘Excess Grant’ – Excess grant means the amount of expenditure over and above the provision allowed through the original/supplementary grant, that requires regularization by obtaining excess grant from the Parliament /State Legislature under Article 115/205 of the Constitution.
New Service	‘New Service’ – As appearing in Article 115(1)(a)/205(1)(a) of the Constitution, New Service means expenditure arising out of a new policy decision, not brought to the notice of Parliament/State Legislature earlier, including a new activity or a new form of investment.
New Instrument of Service	‘New Instrument of Service’ - means relatively large expenditure arising out of important expansion of an existing activity.
Public Accounts	‘Public Accounts’ - means the Public Account referred to in Article 266(2) of the Constitution. The receipts and disbursements such as deposits, reserve funds, remittances, etc. which do not form part of the Consolidated Fund are included in the Public Account. Disbursements from the Public Account are not subject to vote by the Parliament/State Legislature, as they are not moneys issued out of the Consolidated Fund of India/State.
Re-appropriation	‘Re-appropriation’ - means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation.
Revised Estimate	‘Revised Estimate’ - is an estimate of the probable receipts or expenditure for a financial year, framed in the course of that year, with reference to the transactions already recorded and anticipation for the remainder of the year in the light of the orders already issued.
Supplementary Demands for Grants	<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"> 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. 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. 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 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 , 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. $(\text{sum of opening and closing balances of fiscal liabilities}/2) \times 100$
Debt sustainability	Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. It also refers to the sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between the costs of additional borrowings and the returns from such borrowings.
Debt stabilisation	A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero, positive or moderately negative. Given the rate spread (GSDP growth rate - interest rate) and the quantum spread (Debt X rate spread), the debt sustainability condition states that if the quantum spread together with the primary deficit is zero, the debt-GSDP ratio would be constant or the debt would stabilise eventually. On the other hand, if the primary deficit together with the quantum spread turns out to be negative, the debt-GSDP ratio would be rising. In case it is positive, the debt-GSDP ratio would eventually be falling.
Sufficiency of Non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
Liability of borrowed funds	Defined as the ratio of the debt redemption (principal + interest payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption, indicating the net availability of borrowed funds.
Primary revenue deficit	Primary revenue deficit defined as gap between non-interest revenue expenditure of the State and its non-debt receipts indicates the extent to which the non-debt receipts of the State are able to meet the primary expenditure incurred under revenue account.
Primary expenditure	Primary expenditure of the State, defined as the total expenditure net of the interest payments, indicates the expenditure incurred on the transactions undertaken during the year.

Abbreviations	Full form
AC	Abstract Contingent
AFS	Annual Financial Statement
AG	Accountant General
AG(A&E)	Accountant General (Accounts & Entitlements)
AGM	Annual General Body Meeting
CAG	Comptroller and Auditor General of India
CAS	Central Accounting Section
CCO	Chief Controlling Officer
CE	Capital Expenditure
CF	Contingency Fund
CFA	Contingency Fund Advance
CGA	Controller General of Accounts
CSF	Consolidated Sinking Fund
CSS	Centrally Sponsored Schemes
DC	Detailed Contingent
DCPS	Defined Contributory Pension Scheme
DDO	Drawing and Disbursing Officer
DISCOMs	Distribution Companies
DPC Act	Duties, Powers and Conditions of Service Act
DPO	District Project Officer
DTO	District Treasury Officer
EPC	Engineering, Procurement and Construction
FC	Finance Commission
FD	Fiscal Deficit
FMA	Final Modified Appropriation
FMG	Final Modified Grant
FRBM	Fiscal Responsibility and Budget Management
GASAB	Government Accounting Standards Advisory Board
GCS	General Category States
GDC	Government Data Centre
GDP	Gross Domestic Product
GIA	Grants-in-Aid
GoI	Government of India
GoTN	Government of Tamil Nadu

Abbreviations	Full form
GPF	General Provident Fund
GRF	Guarantee Redemption Fund
GSDP	Gross State Domestic Product
GST	Goods and Service Tax
HoA	Head of Account
IGAS	Indian Government Accounting Standards
IGST	Integrated Goods and Service Tax
JBBRS	Jeevan Blood Bank and Research Centre
LIC	Life Insurance Corporation
LMMH	List of Major and Minor Heads
LPG	Liquefied Petroleum Gas
MH	Major Head
MIS	Management Information System
MoI	Memorandum of Instructions
MoU	Memorandum of Understanding
MTFP	Medium Term Fiscal Plan
NABARD	National Bank for Agriculture and Rural Development
NPS	National Pension Scheme
NSDL	National Securities Depositories Limited
NSSF	National Small Saving Fund
OD	Over Draft
PAC	Public Accounts Committee
PAO	Pay and Accounts Officer
PD	Primary Deficit
PD Account	Personal Deposit Account
PFRDA	Pension Fund Regulatory and Development Authority
PRI	Panchayati Raj Institutions
PSUs	Public Sector Undertakings
RBI	Reserve Bank of India
RD	Revenue Deficit
RE	Revenue Expenditure
RR	Revenue Receipts
SAR	Separate Audit Report
SDRF	State Disaster Response Fund
SFAR	State Finance Audit Report

Abbreviations	Full form
SGST	State Goods and Service Tax
SLR	Statutory Liquidity Ratio
SPV	Special Purpose Vehicles
SWMA	Special Ways and Means Advance
TA	Temporary Advance
TANGEDCO	Tamil Nadu Generation and Distribution Corporation
TE	Total Expenditure
TNEB	Tamil Nadu Electricity Board
TNFR Act	Tamil Nadu Fiscal Responsibility Act
TNIDB	Tamil Nadu Infrastructure Development Board
TNRSP	Tamil Nadu Road Sector Project
UDAY	Ujwal Discom Assurance Yojana
ULBs	Urban Local Bodies
UT	Union Territory
VAT	Value Added Tax
WMA	Ways and Means Advance

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