



ACCOUNTS AT A GLANCE 2018-19



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



GOVERNMENT OF TAMIL NADU



ACCOUNTS AT A GLANCE FOR THE YEAR 2018-19

GOVERNMENT OF TAMIL NADU


PREFACE

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

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

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

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



(D JAISANKAR)
ACCOUNTANT GENERAL
(ACCOUNTS & ENTITLEMENTS)

Place : **Chennai**
Date : **07.09.2020**

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CHAPTER 1

OVERVIEW

1.1. Introduction

The Accountant General (Accounts and Entitlements), Tamil Nadu compiles the monthly accounts of receipts and expenditure of the Government of Tamil Nadu. This compilation is based on (a) initial accounts rendered by 32 District Treasuries, 09 Pay and Accounts Offices, 01 Pension Pay Office and (b) Inter State transactions and advices of the Reserve Bank of India. The initial accounts include the receipts and payments in respect of Public Works and Forest Divisions.

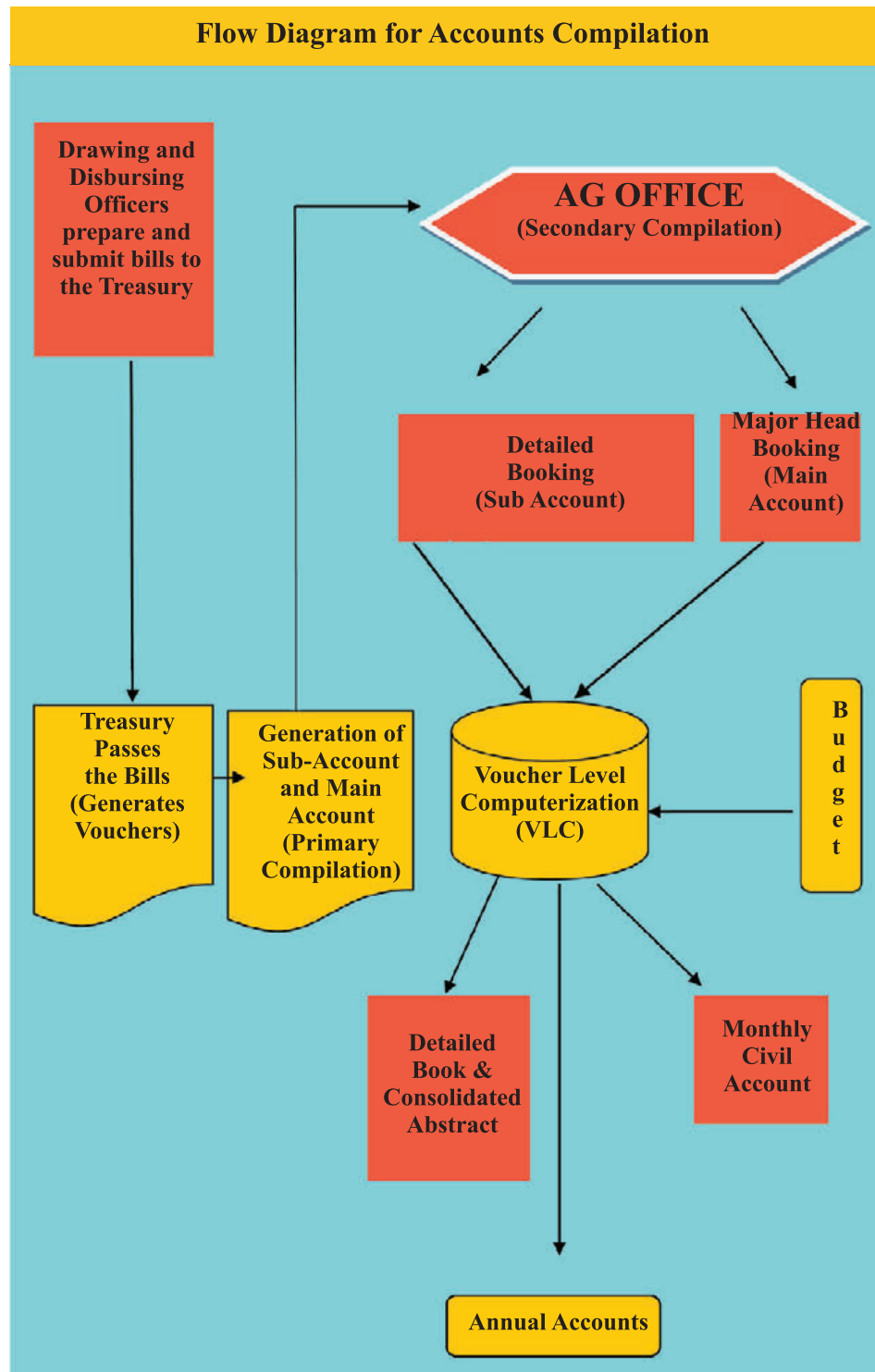
Following such monthly compilation, the Accountant General (A&E) prepares the Finance Accounts and Appropriation Accounts annually, which are placed before the State Legislature after audit by the Principal Accountant General (Audit-I) Tamil Nadu and certification by the Comptroller and Auditor General of India.

1.2. Structure of Accounts

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

Part I Consolidated Fund	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans & Advances.
Part II Contingency Fund	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.
Part III Public Account	Comprises of Debts, Deposits, Advances, Remittances and Suspense transactions. Debts and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are required to be cleared eventually by booking to final heads of account.

1.2.2. Compilation of Accounts



1.3. Finance Accounts and Appropriation Accounts

1.3.1. Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt and public account balances recorded in the accounts. The Finance Accounts are presented in two volumes.

Volume I of the Finance Accounts contains the summarised statements of receipts & disbursements (revenue expenditure, capital expenditure, loans and advances and public debt), investments, guarantees, grants-in-aid and 'Notes to Accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume II contains detailed statements (Part-I) and appendices (Part-II).

Receipts and disbursements of the Government of Tamil Nadu as depicted in the Finance Accounts 2018-19 are given below:-

1.3.2 Receipts and Disbursements

(₹ in crore)

Receipts (Total: ₹2,27,990)	Revenue Receipts (Total: ₹1,73,741) (1+2+3)	Tax Revenue	1,36,173
		Non-tax Revenue	14,200
		Grants-in-aid	23,368
	Capital Receipts (Total: ₹54,249) (1+2+3)	Misc. Capital Receipts	NIL
		Recovery of Loans and Advances	6,913
		Borrowings and other Liabilities*	47,336
Disbursements (Total: ₹2,27,990)	Revenue		1,97,201
	Capital		24,311
	Loans and Advances		6,478

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

1.3.3 Direct Release of Funds by Government of India to Implementing Agencies

During 2018-19, ₹11,751.30 crore was released directly to implementing agencies. These transfers are exhibited in **Appendix VI of Volume II of the Finance Accounts**. Majority of direct transfers, during 2018-19, were made to MGNREGA (₹3,815.62 crore), MFL & SPIC (₹3,045.33 crore) and Tamil Nadu Civil Supplies Corporation Limited (₹1,136.23 crore)

1.3.4 Appropriation Accounts

The Appropriation Accounts which supplement the Finance Accounts depict the expenditure of the State Government against amounts '*charged*' on the Consolidated Fund or '*voted*' by the State Legislature. There are 2 *charged* and 54 *voted* grants. The Appropriation Act, 2018-19 provided for gross expenditure of ₹2,67,993 crore and reduction of expenditure (recoveries) of ₹2,195 crore. Against this, the actual gross expenditure was ₹2,48,170 crore and the reduction of total expenditure was ₹5,117 crore.

1.4. Sources and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹3.25 crore) maintained with the RBI. During 2018-19, the Government of Tamil Nadu did not resort to OD facilities and WMA.

1.4.2 Funds Flow Statement

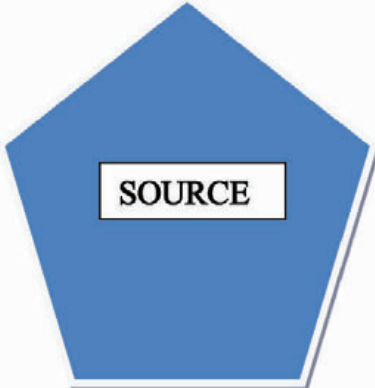
The State had a revenue deficit of ₹23,459 crore which represents 1.41 per cent of GSDP*. The fiscal deficit of ₹47,336 crore worked out to 2.84 *per cent* of the GSDP and 20.76 *per cent* of total expenditure. The fiscal deficit was met from Public Debt (₹47,936 crore) and net increase in Public Account (₹14,094 crore).

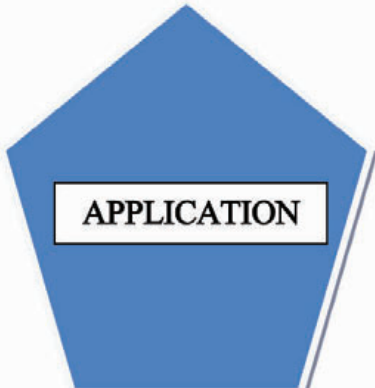
Around 76.06 per cent of the revenue receipts (₹1,73,741 crore) of the State Government was spent on committed expenditure (₹1,32,156 crore) like salaries (₹40,549 crore), interest payments (₹28,757 crore), pensions (₹27,993 crore), subsidies (₹18,922 crore), salary grants (₹7,792 crore), social security and other pension (₹1,040 crore), wages (₹123 crore) and Compensation and Assignment to Local Bodies and Panchayati Raj Institutions (₹729 crore) and Dearness Allowances (₹6,251 crore).

* The Gross State Domestic Product (GSDP) is defined as a measure, in monetary terms, of the volume of all goods and services produced within the boundaries of the State during a given period of time. The GSDP for the year 2018-2019 ₹16,64,159 crore used in this publication is adopted from the Economic Survey of the Planning Department, Government of India.

1.4.3 Sources and Application of Funds

(₹ in crore)

	PARTICULARS	AMOUNT
	❖ Opening Cash Balance as on 01.04.2018 ^{\$}	(-) 64
	❖ Revenue Receipts	1,73,741
	❖ Capital Receipts	Nil
	❖ Recovery of Loans and Advances	6,913
	❖ Public Debt	47,936
	❖ Small Savings, Provident Fund and Others	8,928
	❖ Reserve Funds	6,151
	❖ Deposits Received	1,00,320
	❖ Civil Advances Repaid	1
	❖ Suspense Account*	4,86,764
	TOTAL	8,30,690

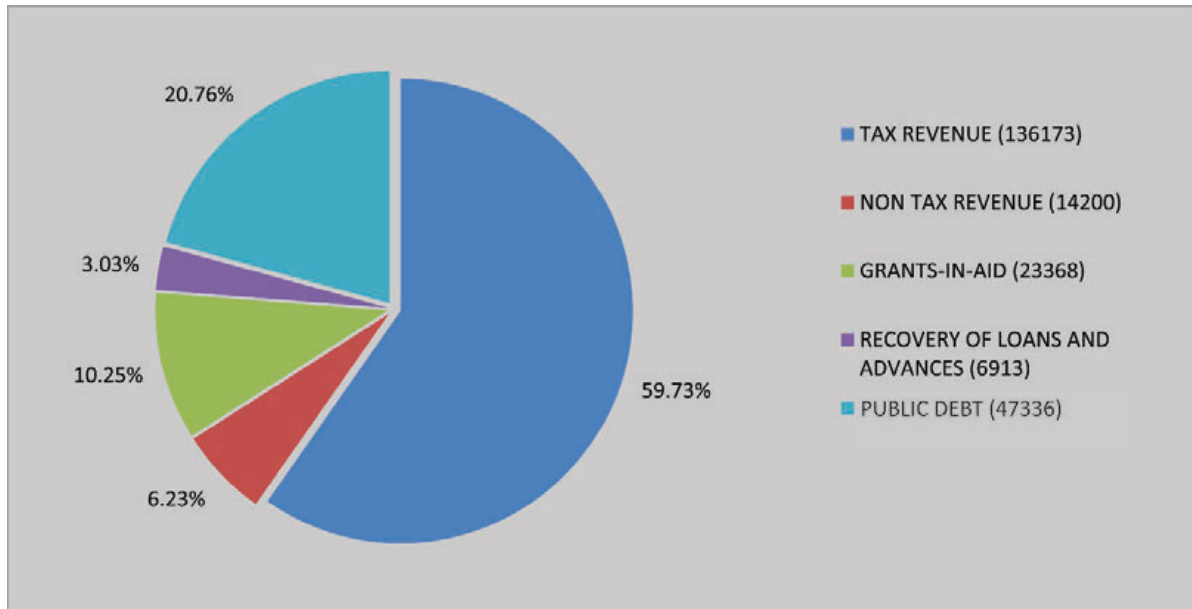
	PARTICULARS	AMOUNT
	❖ Revenue Expenditure	1,97,201
	❖ Capital Expenditure	24,311
	❖ Loans Given	6,478
	❖ Repayment of Public Debt	15,064
	❖ Small Savings, Provident Fund and Others	6,478
	❖ Reserve Funds	6,697
	❖ Deposits Disbursed	92,877
	❖ Suspense Account*	4,82,224
	❖ Remittances	(-)2,07
	❖ Contingency Fund	10
	❖ Closing Cash Balance as on 31.03.2019 ^{\$}	(-) 4,43
	TOTAL	8,30,690

* The suspense account includes ₹3,10,869 crore invested in treasury bills which is shown on the “Application” side, and ₹3,18,446 crore worth of treasury bills sold through the RBI (a process known as “re-discounting” which is shown on the “Sources” side.

\$ The minus balance denotes excess of expenditure over the receipts due to non-reporting of e-receipts majority of which pertain to Registration Department.

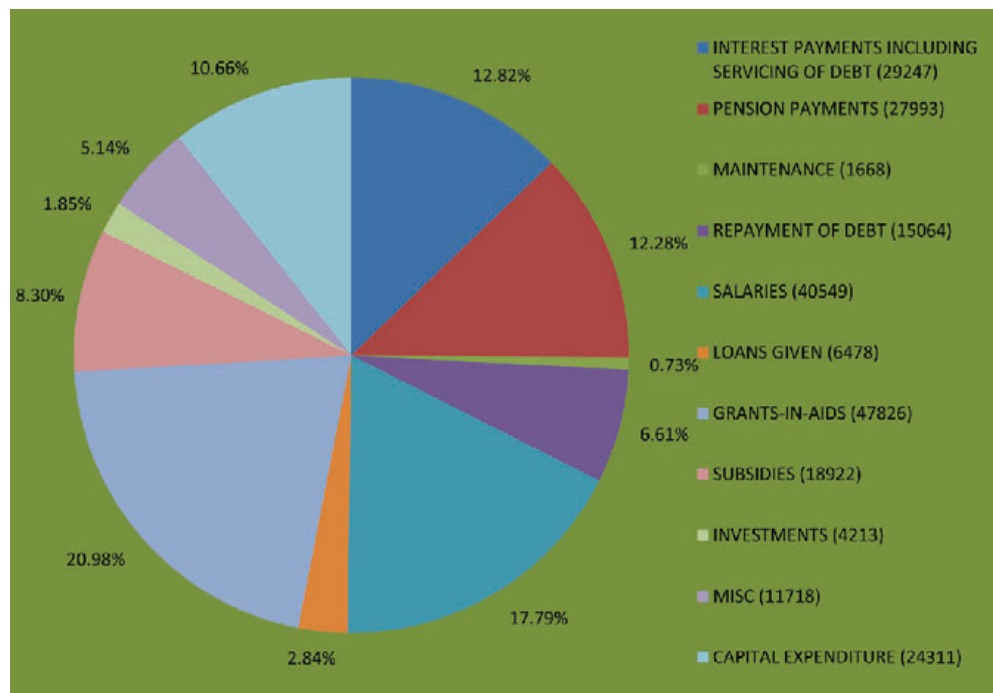
1.4.4 Where the Rupee came from:

(₹ in crore)



1.4.5 Where the Rupee went:

(₹ in crore)



1.4.6 Total Receipts and Expenditure

Sl.No.	Components	Budget Estimates (B.E) 2018-19	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP [@]
(₹ in crore)					
1.	Tax Revenue*	1,44,324	1,36,173	94.4	8.2
2.	Non-Tax Revenue	11,301	14,200	125.7	0.9
3.	Grants-in-aid and Contributions	20,627	23,368	113.3	1.4
4.	Revenue Receipts (1+2+3)	1,76,252	1,73,741	98.6	10.4
5.	Receipts on Capital Account	..	..	..	..
6.	Recoveries of Loans and Advances	5,595	6,913 ^{\$}	123.6	0.4
7.	Net Borrowings and Other Liabilities	44,480	47,336	106.4	2.8
8.	Total Capital Receipts (5+6+7)	50,075	54,249	108.3	3.3
9.	Total Receipts (4+8)	2,26,327	2,27,990	100.7	13.7
10.	Expenditure on Revenue Account	1,93,742	1,97,201	101.8	11.8
11.	Expenditure on Capital Account	28,283	24,311	85.9	1.5
12.	Loans and Advances	4,302	6,478 ^{\$\$}	150.6	0.4
13.	Total Expenditure (10+11+12)	2,26,327	2,27,990	100.7	13.7
14.	Revenue Deficit (-)/ Surplus (+) ** (4-10)	(-) 17,490	(-)23,459	..	..
15.	Fiscal Deficit** [13-(4+5+6)] = 7	(-) 44,480	(-)47,336	..	..

[@] Broadly, sum of the products of all goods and services rendered by the State in monetary terms during a year before making any provision for Consumption of Fixed Capital (C.F.C.) is known as Gross State Domestic Product. GSDP at current price is ₹16,64,159 crore.

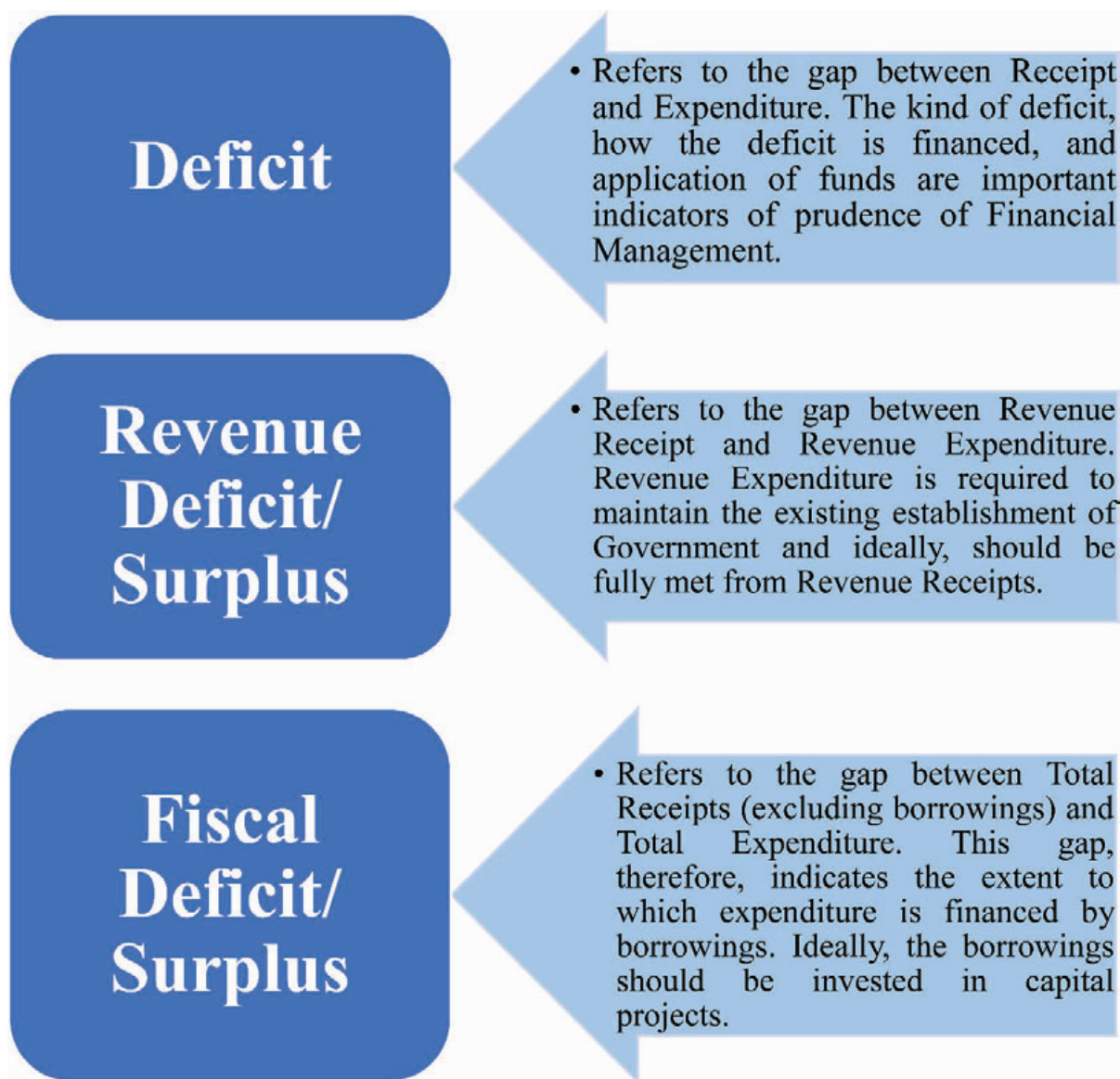
* Includes share of net proceeds assigned to State received from the Government of India.

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

\$ Includes ₹251 crore written off by the Government in the restructuring process taken up during the year.

\$\$ Includes ₹2,461 crore being interest dues capitalized and treated as fresh loans disbursed through book adjustments in the restructuring process.

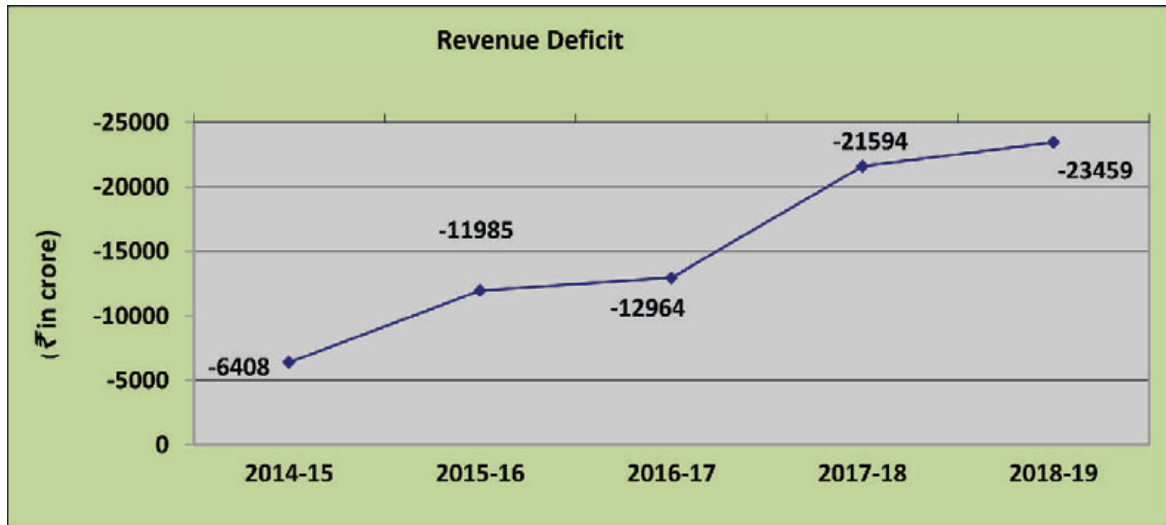
1.4.7 What do the Deficits and Surpluses indicate?



1.4.8 Revenue Deficit/Surplus

There is a Revenue Deficit trend from 2013-14 onwards. The Revenue Deficit during 2018-19 has increased from ₹21,594 crore (2017-18) to ₹23,459 crore, registering an increase of 8.64 *per cent* over previous year. It would be pertinent to note that as per the Tamil Nadu Fiscal Responsibility Act 2003 as amended in 2015, the revenue deficit was to be completely wiped out by 2016-17. While this was not achieved, the TNFR Act was amended in 2016 so as to extend time up to March 2020 to eliminate revenue deficit completely.

1.4.9 Trend of Revenue Deficit/Surplus



1.4.10 Fiscal Deficit

As per Tamil Nadu Fiscal Responsibility Act, 2003, the Government has committed to reduce Fiscal Deficit to 3 *per cent* of GSDP to be attained by 31 March 2019 and adhere to it thereafter.

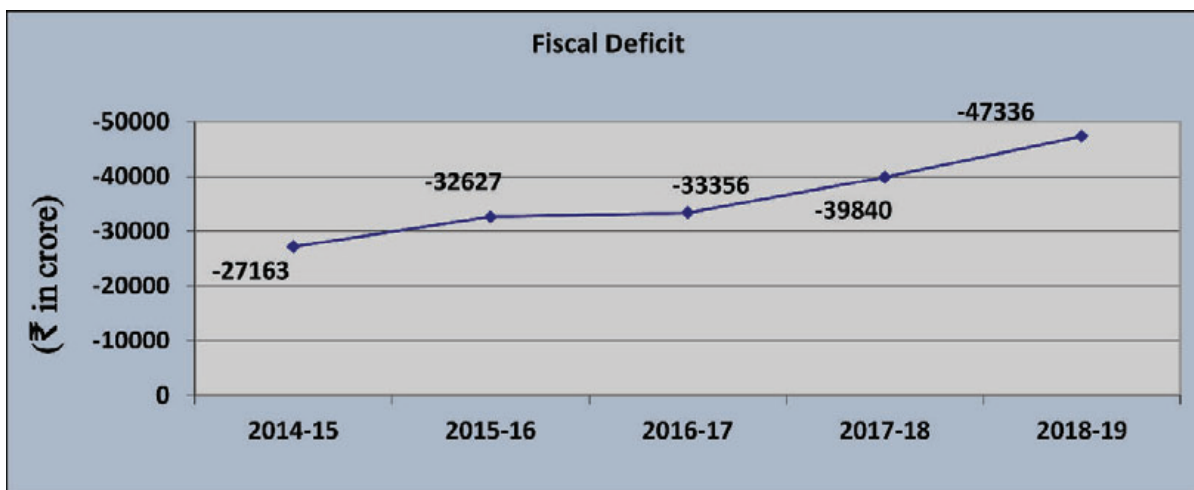
The Fiscal Deficit of the State during the year increased from ₹39,840 crore (2017-18) to ₹47,336 crore. This constituted 2.84 *per cent* of GSDP.

Fiscal deficit compared to GSDP and trend of fiscal deficit for the years from 2014-15 to 2018-19 is indicated below.

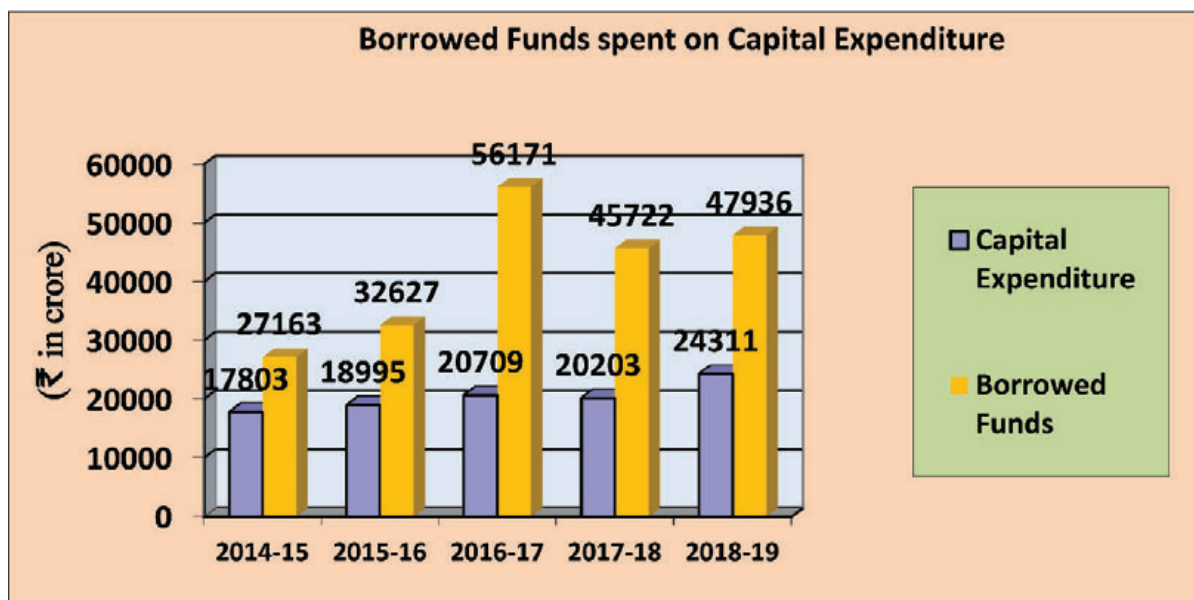
Fiscal Deficit compared to GSDP

Year	Percentage of Fiscal Deficit to GSDP	Increase/Decrease
2014-15	2.8	(+) 0.4
2015-16	2.7	(-) 0.1
2016-17	2.6	(-) 0.1
2017-18	2.8	(+) 0.2
2018-19	2.9	(+) 0.1

Trend of Fiscal Deficit



1.4.11 Trend of borrowed funds spent on Capital Expenditure



It is prudent to fully utilize borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest thereon. However, the State Government had spent less expenditure on Capital account (₹24,311 crore) out of the borrowings of current year (₹47,936 crore) and remaining borrowings of ₹23,625 crore were mainly utilized to disburse loans and advances (₹6,478 crore), repayment of Public Debt (₹15,064 crore) and other revenue expenditure (₹2,083 crore).

1.4.12 Trend of Public Debt

In 2018-19, loans totaling ₹43,125 crore were raised at par at interest rates varying from 8.05 *per cent* to 8.68 *per cent*. Out of these loans, 24 loans will redeem in 2028 and 2 will redeem in 2029.

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



CHAPTER 2

RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2018-19 were ₹2,27,990 crore.

2.2. Revenue Receipts

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

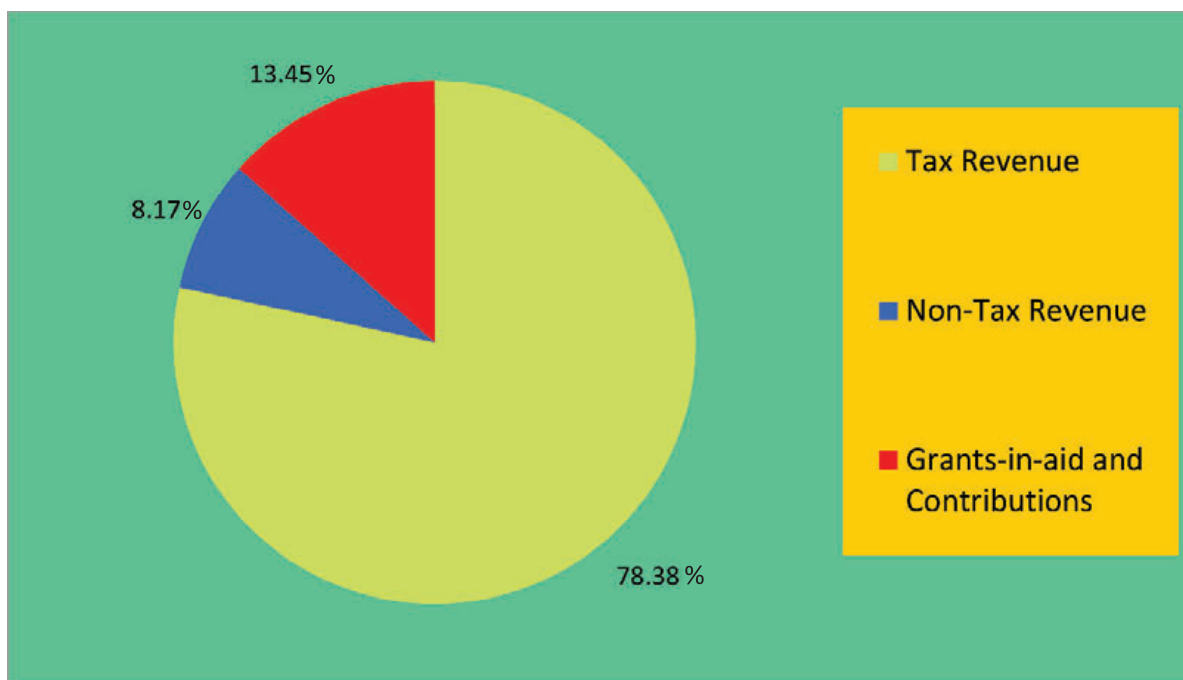
2.2.1.Components of Revenue Receipts (2018-19)

(₹ in crore)

Components	Actuals	Percentage to Total Revenue Receipt
A. Tax Revenue *	1,36,173	78.38
Goods and Service Tax (GST)	46,698	26.88
Taxes on Income and Expenditure	18,557	10.68
Taxes on Property and Capital Transactions	11,259	6.48
Taxes on Commodities and Services Other than GST	59,659	34.34
B. Non-Tax Revenue	14,200	8.17
Interest Receipts, Dividends and Profits	7,031	4.05
General Services	1,260	0.72
Social Services	4,122	2.37
Economic Services	1,787	1.03
C. Grants-in-aid and Contributions	23,368	13.45
Total - Revenue Receipts(A+B+C)	1,73,741	100.00

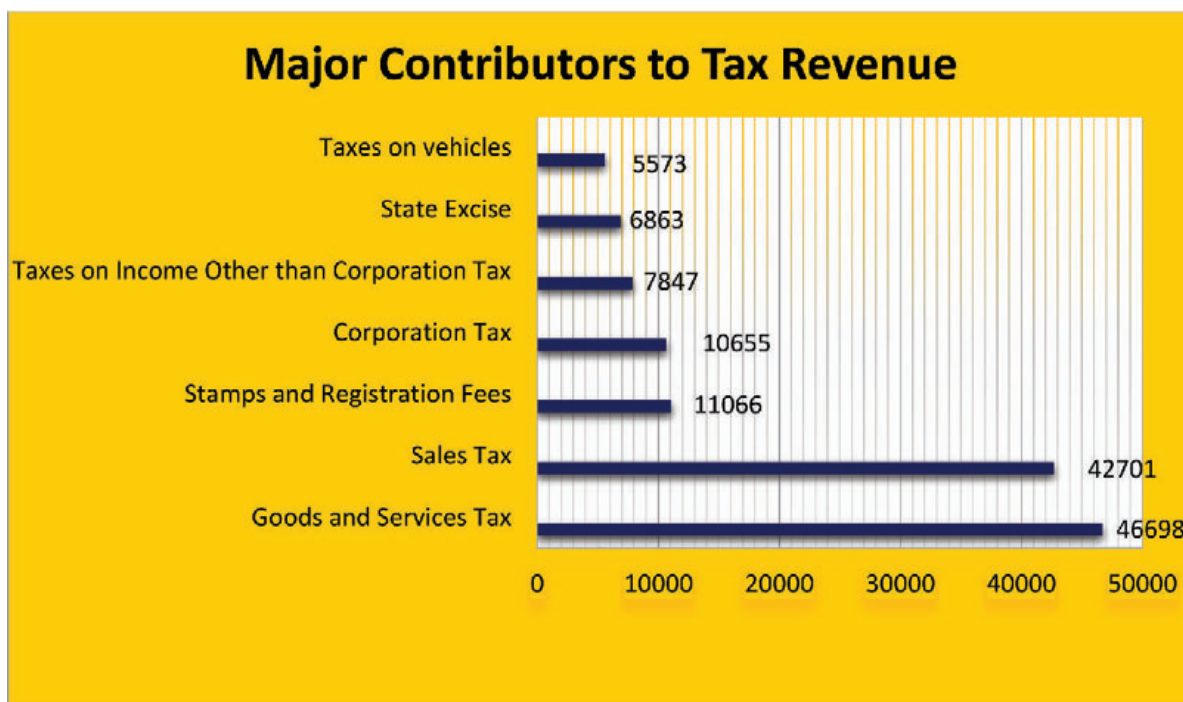
* Includes share of net proceeds assigned to State received from the Government of India.

2.2.1.a.Components of Revenue Receipt



2.2.2.Major contributors to Tax Revenue

(₹ in crore)



2.2.3 Net Tax Revenue - Comparison between Budget estimates and Actuals

During the year, the Budget Estimates for Tax Revenue was ₹1,44,324 crore and the Actuals was ₹1,36,173 crore. The Net Tax Revenue was less than Budget Estimates by ₹8,151 crore. The major variations are given as a percentage of the Budget estimates.

(₹ in crore)

Where Actual Receipt was less than Budget Estimates				Where Actual Receipt was more than Budget Estimates			
Heads	Budget	Actuals	Decrease in percentage	Heads	Budget	Actuals	Increase in percentage
Taxes on Sales, Trade, etc	44,427	42,701	3.9	Corporation Tax	9,151	10,655	16.4
Taxes on Vehicles	6,212	5,573	10.3	Service Tax	108	282	161.1
Union Excise Duties	1,608	1,443	10.3	Stamps and Registration Fees	10,936	11,066	1.2
Taxes on Income other than Corporation Tax	7,928	7,847	1.0				
Other Taxes and duties on Commodities and Services	69	1	98.6				

2.3. Trend of Receipts

During the year, the GSDP increased by 16.6 per cent and growth in total revenue collection was 18.8 per cent in comparison to previous year. The Tax Revenue increased by 12.7 per cent, Non Tax Revenue increased by 31.9 per cent and Grants-in-aid increased by 59.2 per cent respectively in comparison to previous year.

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Tax Revenue	95,480 (8.9)	1,00,830 (8.7)	1,10,479 (8.5)	1,20,836 (8.5)	1,36,173 (8.2)
Non-Tax Revenue	8,351 (0.8)	8,918 (0.8)	9,914 (0.8)	10,764 (0.8)	14,200 (0.9)
Grants-in-aid	18,589 (1.7)	19,260 (1.6)	19,838 (1.5)	14,680 (1.0)	23,368 (1.4)
Total Revenue Receipt	1,22,420 (11.4)	1,29,008 (11.1)	1,40,231 (10.8)	1,46,280 (10.3)	1,73,741 (10.4)
GSDP	10,72,775	11,61,963	12,98,511	14,27,074	16,64,159

Note: Figures in parentheses represent percentage to GSDP at current prices during the respective years.

2.3.1 Sector-wise Tax Revenue

(₹ in crore)

Revenue Receipts	2014-15	2015-16	2016-17	2017-18	2018-19
Goods and Services Tax	-	-	-	27,708 (1.94)	46,698 (2.8)
Taxes on Income and Expenditure	10,071 (0.9)	10,783 (0.9)	13,327 (1.0)	15,305 (1.1)	18,557 (1.1)
Taxes on Property and Capital Transactions	8,559 (0.8)	8,989 (0.8)	7,418 (0.6)	9,355 (0.7)	11,259 (0.7)
Taxes on Commodities and Services	76,851 (7.2)	81,058 (7.0)	89,734 (6.9)	68,468 (4.8)	59,659 (3.6)
Total Tax Revenue	95,480 (8.9)	1,00,830 (8.7)	1,10,479 (8.5)	1,20,836 (8.5)	1,36,173 (8.2)
GSDP	10,72,775	11,61,963	12,98,511	14,27,074	16,64,159

Note: Figures in parentheses represent percentage to GSDP at current prices during the respective years.

2.4. Performance of State's own tax revenue collection

Tax Revenue of the State Government comes from two sources viz. State's Own Tax Collections and Devolution of Union Taxes. The growth rate of Tax Revenue from 2014-15 to 2018-19 is 42.62 per cent. However, the State's own Tax Revenue collection with reference to GSDP showed decreasing trend from 7.3 per cent in 2014-15 to 6.3 per cent in 2018-19.

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	State's Own Tax Revenue Percentage to GSDP
2014-15	95,480	16,824	78,656	7.3
2015-16	1,00,830	20,354	80,476	6.9
2016-17	1,10,479	24,538	85,941	6.6
2017-18	1,20,836	27,099	93,737	6.6
2018-19	1,36,173	30,639	1,05,534	6.3

2.4.1. Efficiency of Tax Collection

Taxes on commodities and services form a major chunk of tax revenue. While Tax collection efficiency in respect of Property and Capital Transactions has marginally increased during 2018-19, it has marginally decreased in respect of Taxes on Commodities and Services.

A. Taxes on Property and Capital Transactions

(₹ in crore)

Description	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Collection	8,559	8,989	7,418	9,355	11,259
Expenditure on Collection	439	452	413	480	522
Efficiency of Tax Collection (in per cent)	5.1	5.0	5.6	5.1	4.6

B. Taxes on Commodities and Services other than GST

(₹ in crore)

Description	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Collection	76,851	81,058	89,734	68,468	59,659
Expenditure on Collection	481	479	552	615	705
Efficiency of Tax Collection (in per cent)	0.6	0.6	0.6	0.9	1.2

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

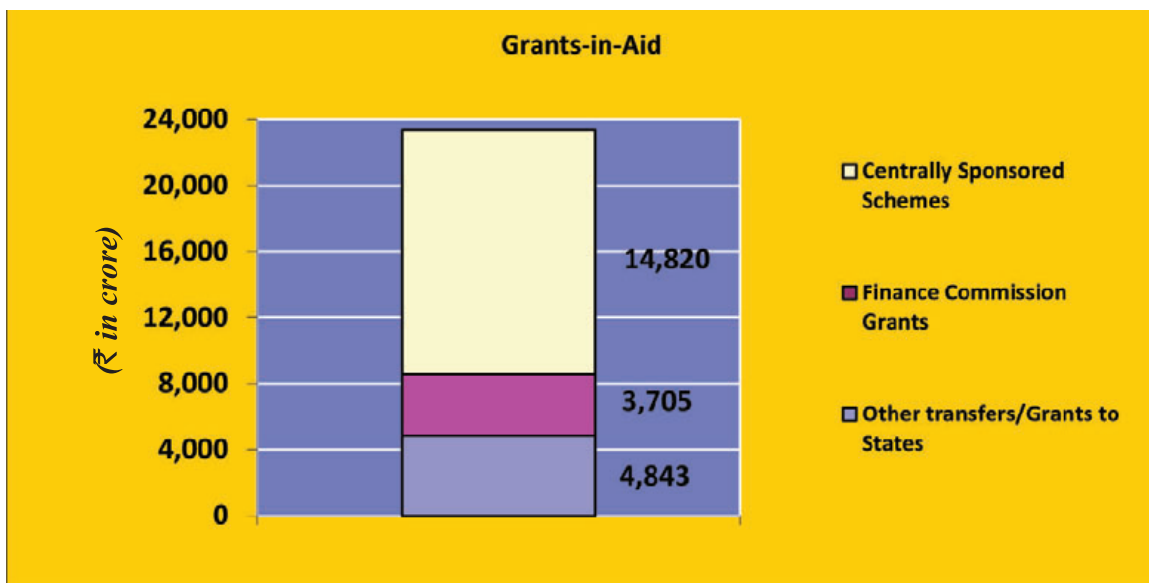
The State share of Union Taxes to the Total Tax Revenue has marginally increased from 22.43 per cent during 2017-18 to 22.5 per cent during 2018-19.

(₹ in crore)

Major Head Description	2014-15	2015-16	2016-17	2017-18	2018-19
Goods and Services Tax (CGST+IGST)	-	-	-	3,118	8,165
Other taxes on Income and Expenditure	-	-	-	-	55
Corporation Tax	5,875	6,380	7,863	8,298	10,655
Taxes on Income other than Corporation Tax	4,195	4,403	5,464	7,007	7,847
Taxes on Wealth	16	2	18	(-) 0.25	0.4
Customs	2,721	3,266	3,124	2,735	2,172
Union Excise Duties	1,537	2,749	4,120	2,859	1,443
Service Tax	2,480	3,535	3,949	3,083	282
Other Taxes and Duties on Commodities and Services	362	461	411	..	16
State Share of Union Taxes	16,284	20,354	24,538	27,100	30,639
Total Tax Revenue	95,481	1,00,830	1,10,479	1,20,836	1,36,173
Per cent of Union Taxes to Total Tax Revenue	17.62	20.19	22.21	22.43	22.5

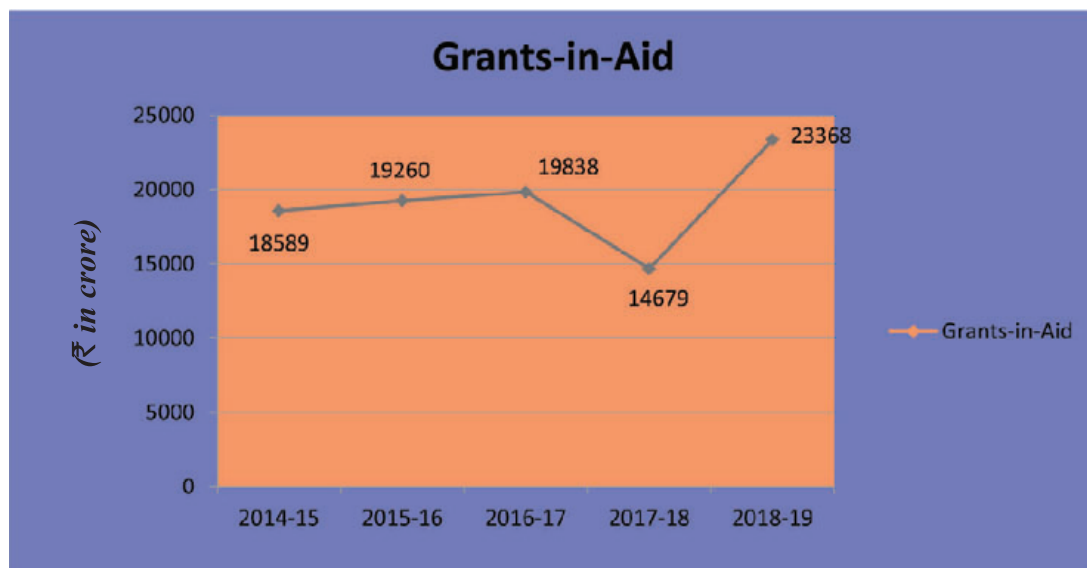
2.6.Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India and comprise grants for Centrally Sponsored Schemes approved by the NITI Aayog, Finance Commission Grants recommended by the Finance Commission and other transfers/Grants to States. During 2018-19 total receipts under Grants-in-aid were ₹23,368 crore as shown below:



2.6.1 Trend of Grants-in-Aid from Central Government

The Trend of Grants in Aid received from Central Government has increased by ₹8,689 crore during 2018-19 from that of 2017-18.



CHAPTER 3

EXPENDITURE

3.1. Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is done for the day-to-day management of the government. Capital expenditure is done to create permanent assets like buildings, roads and bridges or to enhance the utility of such assets, or to reduce permanent liabilities like loans from Government of India, Open market loans.

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

3.2. Revenue Expenditure

The Budget for Revenue expenditure was estimated at ₹1,93,742 crore during 2018-19. The State Government had obtained provision for supplementary grant of ₹4,462 crore in January 2019 and ₹11,524 crore in February 2019. The total estimates for Revenue expenditure stood at ₹2,09,728 crore. However, the actual revenue expenditure of ₹1,97,201 crore was less than the original budget estimates ₹3,458 crore. The shortfall/ excess of revenue expenditure against budget estimates during the past five years is given below:

(₹ in crore)

Description	2014-15	2015-16	2016-17	2017-18	2018-19
Original Budget Estimates	1,27,100	1,47,297	1,64,030	1,75,293	1,93,742
Actuals	1,28,828	1,40,993	1,53,195	1,67,874	1,97,201
Gap	(-) 1,728	6,304	10,835	7,419	(-) 3,459
Percentage of gap over BE	(-) 1.4	4.3	6.6	4.2	(-) 1.8

Around 67.02 per cent of the revenue expenditure was “committed” to Salaries (₹40,549 crore), Interest Payments (₹28,757 crore), Pensions (₹27,993 crore), Subsidies (₹18,922 crore), Salary Grants (₹7,792 crore), Social Security and other Pensions (₹1,040 crore) Wages (₹123 crore) Dearness Allowances (₹6,251 crore) and Compensation and assignment to Local Bodies (₹ 729 crore).

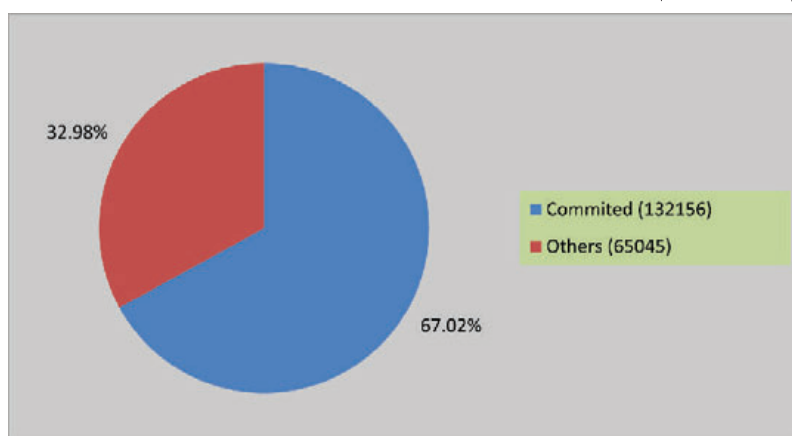
The position of committed and Other revenue expenditure over the last five years is given below:

(₹ in crore)

Description	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue expenditure	1,28,828	1,40,993	1,53,195	1,67,874	1,97,201
Revenue Receipts	1,22,420	1,29,008	1,40,231	1,46,280	1,73,741
Committed revenue expenditure	79,290	87,022	98,564	1,17,438	1,32,156
Other revenue expenditure	49,538	53,971	54,631	50,436	65,045
Committed Revenue expenditure to Revenue Receipts (in per cent)	64.8	67.5	70.3	80.28	76.06
Committed Revenue expenditure to total Revenue Expenditure (in per cent)	61.5	61.7	64.3	69.96	67.02

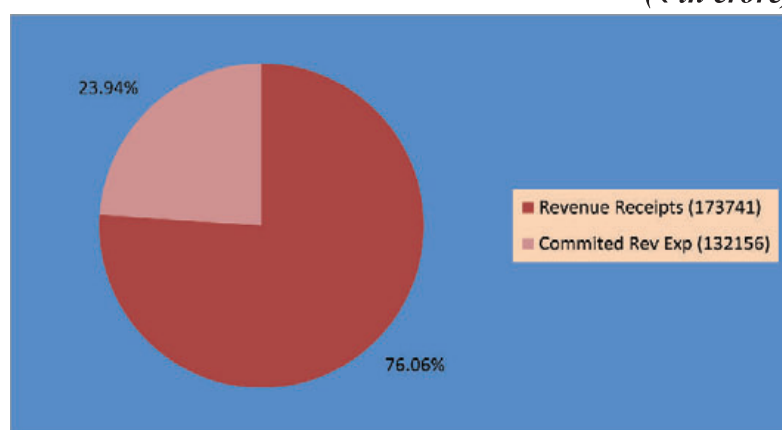
3.2.1 Revenue Expenditure

(₹ in crore)

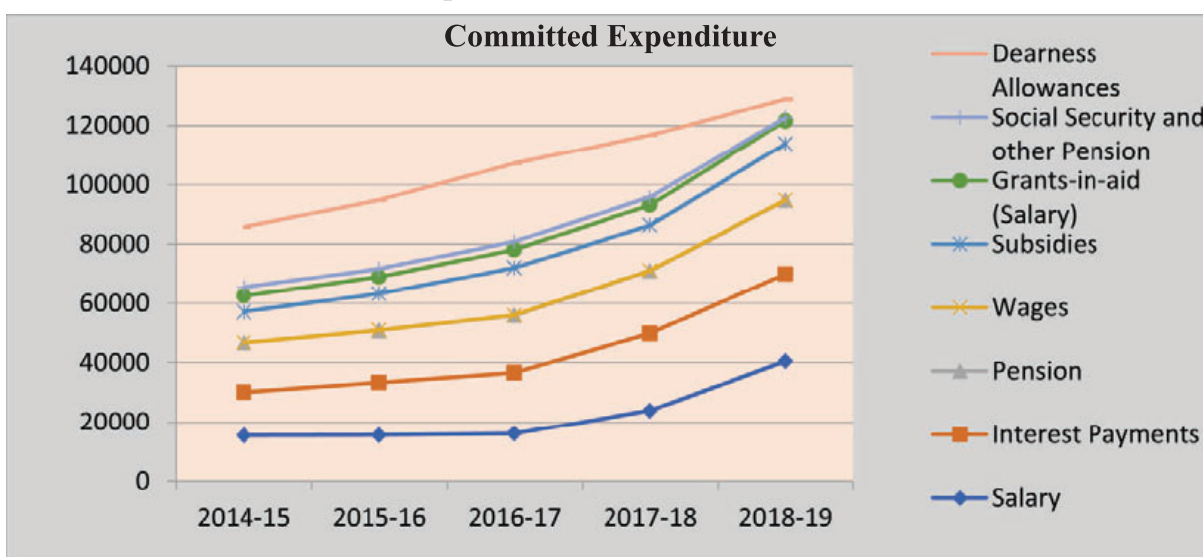


Revenue Receipts Vs Committed Revenue Exp

(₹ in crore)



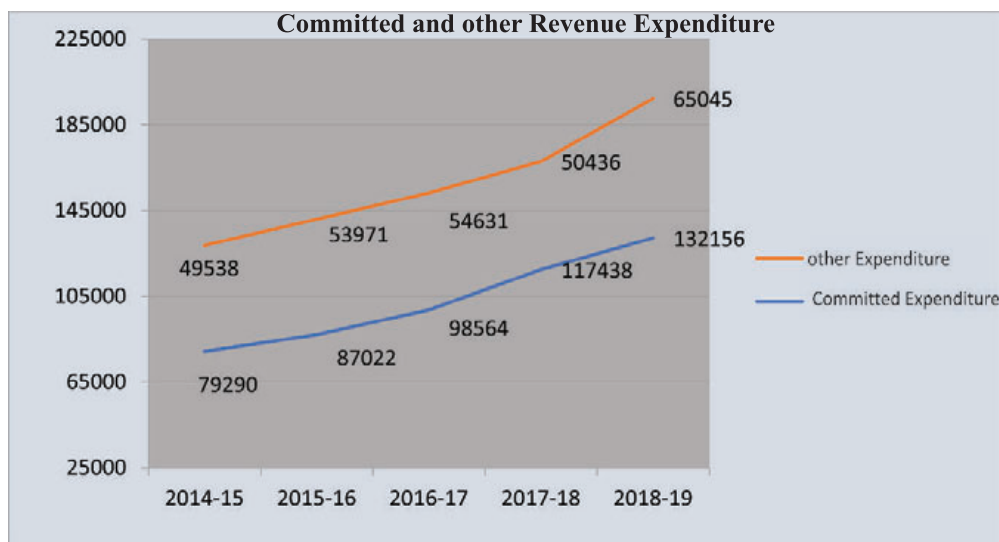
3.2.2 Trend of Committed Expenditure



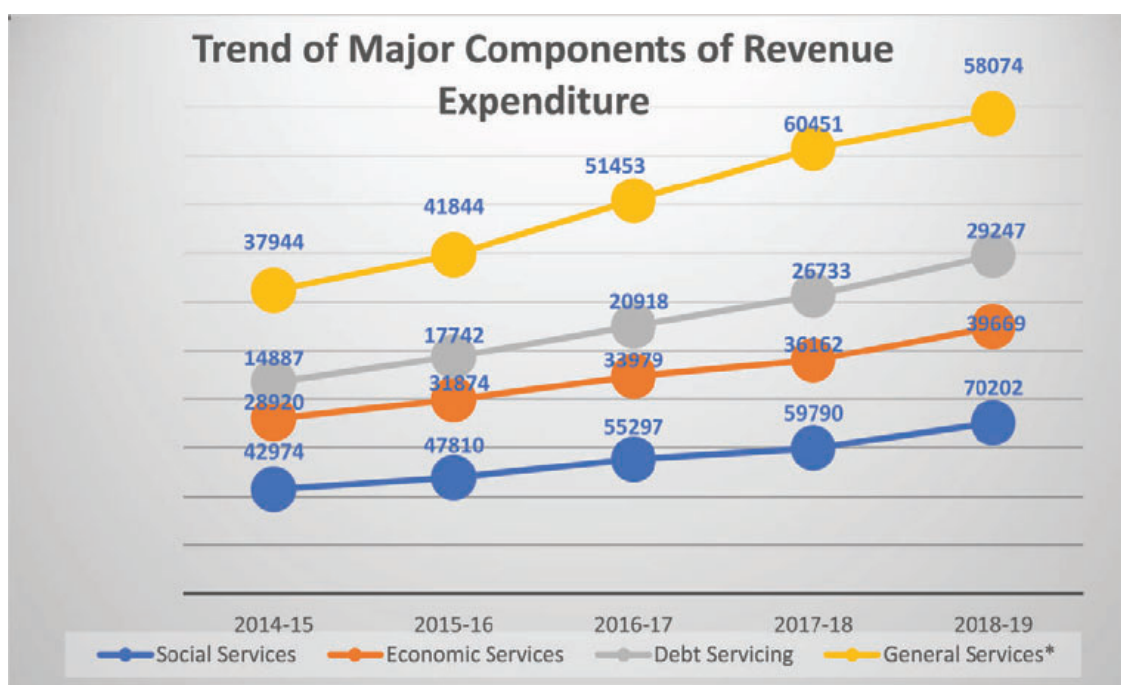
The upward trend on committed expenditure leaves the government with lesser flexibility for developmental spending.

3.2.3 Trend of Committed Revenue expenditure and other revenue Expenditure.

The total Revenue Expenditure during 2018-19 was ₹1,97,201 crore which consists of Committed Revenue Expenditure of ₹ 1,32,156 crore and other revenue expenditure of ₹65,045 crore. The Committed Revenue Expenditure are for Salaries, Interest Payments, Pensions etc., which are committed to be spent by the Government.



3.2.4 Major Components of Revenue Expenditure (2014-2019)



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

3.2.5 Sectoral Distribution of Revenue Expenditure.

The State Government during the year 2018-19 has spent ₹1,237 crore on collection of taxes, ₹1,483 crore on Legislature, Governor's Office and Administration of Justice, ₹29,247 crore on Interest Payment and Servicing of debt, ₹10,202 crore on Administrative Services, ₹30,281 crore on Pension and Miscellaneous General Services, ₹70,202 crore on Social Services, ₹39,669 crore on Economic Services and ₹14,880 crore on Grants-in-aid and Contributions. Thus the total sectoral distribution of revenue expenditure works out to ₹1,97,201 crore.

Components	Amount (₹ in crore)	Percentage
A. Fiscal Services	1,237	0.6
Collection of Taxes on Property and Capital Transactions	522	0.3
Collection of Taxes on Commodities and Services	705	0.3
Other Fiscal Services	10	..
B. Organs of State	1,483	0.8
C. Interest Payments and Servicing of Debt	29,247	14.8
D. Administrative Services	10,202	5.1
E. Pensions and Miscellaneous General Services	30,281	15.4
F. Social Services	70,202	35.6
G. Economic Services	39,669	20.1
H. Grants-in-aid and Contributions	14,880	7.6
Total Expenditure (Revenue Account)	1,97,201	100.0

3.3. Capital Expenditure

Capital disbursements of ₹30,789 crore (includes loans and advances disbursed ₹6,478 crore) for 2018-19, at 1.85 per cent of GSDP, fell short of budget estimates by ₹1,796 crore.

3.3.1 Sectoral Distribution of Capital Expenditure

The Capital Expenditure is distributed among General Services, Economic Services, Social Services, and Loans and Advances. During 2018-19, the total Sectoral distribution of Capital Expenditure was ₹30,789 crore which increased by ₹4,069 crore over the previous year.

3.3.2 Sectoral Distribution of Capital Expenditure over the past five years

(₹ in crore)

Description	2014-15	2015-16	2016-17	2017-18	2018-19
General Services	1,064 (4.8)	1,054 (4.9)	751 (1.6)	847 (3.2)	858 (2.8)
Social Services	4,234 (19.1)	5,660 (26.5)	6,041 (12.9)	4,731 (17.7)	6,996 (22.7)
Economic Services	12,505 (56.5)	12,280 (57.6)	13,917 (29.8)	14,625 (54.7)	16,457 (55.5)
Loans and Advances	4,319 (19.5)	2,331 (10.9)	26,047 (55.7)	6,517 (24.4)	6,478 (21.0)
Total	22,122	21,325	46,756	26,720	30,789

Note: Figures in parentheses represent percentage to total capital expenditure

3.4. State Fund Expenditure

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

State Fund expenditure during 2018-19 was ₹1,73,908 crore (88 per cent), ₹19,029 crore (78 per cent) and ₹6,478 crore (100 per cent) under Revenue, Capital and Loans and Advances respectively. The Central Assistance during 2018-19 was ₹23,293 crore (12 per cent) under 'Revenue' and ₹5,282 crore (22 per cent) under 'Capital' expenditure.

CHAPTER 4

APPROPRIATION ACCOUNTS

The demands for grants are prepared by the State Government for incurring expenditure by each service department annually. The funds for the demands for grant are allocated through the Appropriation Act approved by the State Legislature. The grants are prepared by each department as “Voted” and “Charged” for obtaining approval of the Legislature.

The Appropriation Act of the Government of Tamil Nadu for the year 2018-19 provided for gross expenditure of ₹2,67,993 crore and reduction of expenditure (recoveries) of ₹2,195 crore. Against this, the actual gross expenditure was ₹2,48,170 crore and reduction of expenditure was ₹5,117 crore. The actual expenditure resulted in a net saving of ₹19,823 crore (7.4 per cent).

Appropriation Accounts is a comprehensive presentation of Grant-wise information of sums expended for any particular year with respect to the Appropriation Act. Appropriation Accounts are annual classified statements of grants and expenditure to exhibit the excess or savings over the final grant or appropriation. The funds indicated in the Budget are appropriated out of the Consolidated Fund of the State.

4.1. Summary of Appropriation Accounts

(₹ in crore)

Nature of expenditure	Original grant	Supplementary grant	Total	Actual expenditure	Saving (-) Excess (+)	Surrender
Revenue						
Voted	1,65,429	15,563	1,80,992	1,71,547	(-)9,445	(-)10,956
Charged	30,022	423	30,445	29,642	(-)803	(-)799
Capital						
Voted	28,758	3,639	32,397	25,299	(-)7,098	(-)7,025
Charged	10	1,017	1,027	140	(-)887	(-)885
Public Debt Charged	15,326	28	15,354	15,064	(-)290	(-) 300
Loans and Advances Voted	4,302	3,477	7,779	6,478	(-)1,301	(-)1,301
Appropriation to Contingency Fund Voted	..	..	..	..	..	..
Total	2,43,847	24,147	2,67,994	2,48,170	19,824	21,266

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

(₹ in crore)

Year	Saving (-)/ Excess (+)				Total
	Revenue	Capital	Public Debt	Loans and Advances	
2014-15	(-) 10,753	(-)9,764	(-) 1,059	(-) 651	(-) 22,227
2015-16	(-) 12,274	(-) 7,821	(-) 951	(-) 1,579	(-) 22,625
2016-17	(-) 14,494	(-) 6,304	(-) 6	(-) 1,220	(-) 22,025
2017-18	(-)13,738	(-)10,981	(-)2,257	(-)1,204	(-)28,180
2018-19	(-) 10,248	(-)7,985	(-)290	(-)1,301	(-)19,824

4.3. Significant saving in the approved grants

The Appropriation Accounts provides explanations for excesses/savings incurred under sub-heads i.e., on the schemes. The term 'Savings' indicate spending less than the allotment either because of non-implementation or delay in implementation of certain schemes/ programmes. The term 'Excess' indicates spending more than the budget allotment.

4.3.1. Grants with Significant Persistent Saving

(₹ in crore)

Grant No.	Nomenclature	2014-15	2015-16	2016-17	2017-18	2018-19
01	State Legislature(Revenue)	4	4	6	12	21
02	Governor and Council of Ministers (Revenue)	6	8	7	4	4
03	Administration of Justice ^(Revenue) _(Charged)	10	22	79	28	52
04	Adi-Dravidar and Tribal Welfare Department (Capital)	110	119	197	143	76
05	Agriculture Department(Capital)	55	115	62	243	113
07	Fisheries Department (Revenue)	21	69	57	155	209
09	Backward Classes, Most Backward Classes & Minorities Welfare Department (Revenue)	116	159	190	353	116
11	Stamps and Registration Department (Revenue)	61	91	79	27	40
13	Food and Consumer Protection (Co-operation, Food and Consumer Protection Department) (Capital)	389	233	229	92	69
14	Energy Department (Revenue)	814	1,577	891	774	657
19	Health and Family Welfare Department (Revenue)	57	30	80	87	1
21	Highways and Minor Ports Department (Capital)	1,539	1,589	1,349	1,743	1,991
25	Motor Vehicles Act – Administration (Home, Prohibition and Excise Department)(Revenue)	44	93	22	23	67
29	Tourism, Art and Culture (Tourism, Culture and Religious Endowments Department) (Capital)	47	135	34	29	33
32	Labour and Employment Department (Revenue)	175	218	142	68	160
34	Municipal Administration and Water Supply Department (Capital)	923	1,370	557	2,941	1,290
35	Personnel and Administrative Reforms Department (Revenue)	4	10	15	6	12
38	Public Department (Revenue)	78	53	115	90	100

Grant No.	Nomenclature	2014-15	2015-16	2016-17	2017-18	2018-19
39	Buildings (Public Works Department) (Revenue)	18	53	21	19	19
40	Buildings (Public Works Department) (Capital)	947	1,187	642	1,731	1,337
42	Rural Development and Panchayat Raj Department (Revenue)	1,861	981	5650	3,849	2,216
44	Micro, Small and Medium Enterprises Department (Capital)	46	45	48	49	46
45	Social Welfare and Nutritious Meal Programme Department (Revenue)	308	264	333	266	431
54	Forests (Environment and Forests Department) (Revenue)	97	177	169	64	45
	(Capital)	70	61	44	18	36

The reasons for savings are detailed grant wise in the Appropriation Accounts. Persistent saving indicate the need for critical review of budgeting process.

Further, notwithstanding above under utilization, even supplementary grants proved to be unnecessary under certain schemes where there were significant savings at the end of the year against original allocations. A few instances are given below:

(₹ in crore)

Grant	Nomenclature	Original	Supplementary	Actual Expenditure	% of Savings
22	Police Department	3500.17	335.00	3225.98	6.09
19	Health and Family Welfare Department	82.75	190.00	75.44	1.97
21	Highways and Minor Ports Department	250.00	0.04	115.12	1.35
32	Labour and Employment Department	57.86	12.29	31.55	0.39
41	Revenue and Disaster Management Department	471.38	2.70	444.34	0.30
24	Jails (Other than Sub-Jails)	201.15	5.15	179.05	0.27
23	Fire and Rescue Services Department	53.50	9.27	42.81	0.20

4.4. Expenditure on New Service

In respect of the heads mentioned below, expenditure has been incurred without provision either in the Budget or in the supplementary estimates and exceeded the limits prescribed in the “New Service Rules” constituting “New Service/New Instrument of Service”. Failure to observe the prescribed procedure had led to incurring of the expenditure on the schemes without the authority of the Legislature.

(₹ in lakh)

Grant	Head	Total Grant (Reappropriation)	Actual expenditure	Excess(+) Saving(-)
5	240100103F UE	3.25	2.70	-0.55
5	440100794F UB	8.00	4.00	-4.00
5	440200794F UA	10.11	6.58	-3.53
6	241503794F UA	3.30	3.30	..
13	207000800C SE	8.07	8.03	-0.04
13	345600797F UC	68.68	68.68	..
38	205200090A CF	0.60	0.59	-0.01
38	207000800A CH	0.02	0.02	..
40	270103172A AY	0.37	0.35	-0.02
40	270103233A AY	0.55	1.01	+0.46
40	470103209A JB	0.49	0.48	-0.01
40	470103219A JA	2.03	2.02	-0.01
40	470103259A JA	0.13	0.13	..
40	470103289A PA	0.30	0.30	..
40	470103422A JY	4.75	4.75	..
43	420204105A JB	5.59	5.59	..
44	285280001A AF	1.12	1.12	..
54	240601105A JG	3.30	3.23	-0.07
54	440601101A JF	7.00	7.00	..
54	455160106A AA	14.10	14.10	..

4.5. Expenditure without budget provision/reappropriation

In respect of the heads mentioned below, expenditure was incurred without provision either in the Budget or in the supplementary which led to unauthorised expenditure.

(₹ in lakh)

Grant No.	Head of Account	Expenditure
16	207500800A FT	1.00
16	223560792A AB	1.40
16	407000190A JA	578.72
19	221002200A AE	1.04
19	221005105C SM	5.91
31	285207101A AB	100.00
38	207000800A AS	9.59
40	470103345A MY	0.85
40	470103429A PA	3.22
40	471101103A KL	8.84
41	205300093A AL	2.26
41	205300094A FQ	8.03
44	285100101A AG	0.13
44	285100102A BW	0.04
44	285100102A CD	0.02
44	285100106A JA	7.74
45	223602101C SJ	4.44
45	223602789A JJ	0.12
49	220400101A JC	71.25
54	240601101A AH	0.05
54	240602800A AB	0.05
54	360400196A AB	1.45
54	440601800A JA	8.14

CHAPTER 5

ASSETS AND LIABILITIES

5.1. Assets

The accounts represent the actual cash receipts and disbursement during the accounting period. Physical Assets and Financial Assets such as Government Investments, etc, are shown at historical cost, i.e., the value at the year of acquisition/purchase. The Physical Assets are not depreciated or amortized.

Liabilities and retirement benefits disbursed during the current accounting period have been reflected in the accounts. The pensionary liability of the Government i.e., the liability towards payment of retirement benefits for the past service of its employees is not, however included in the accounts. The details of Assets and Liabilities of Government of Tamil Nadu are exhibited in Statement No. 1 of Finance Accounts Vol.I.

5.1.1. Investments and Returns

As per the details furnished by the Companies/Corporations and included in the Finance Accounts., total investments as share capital in non-financial public sector undertakings (PSUs) stood at ₹36,480 crore at the end of 2018-19 and dividends received during the year was ₹135 crore (0.37 *per cent*) on investment. During 2018-19, investments increased by ₹2,901 crore (net) and income from dividend decreased by ₹18 crore. The major investment was made in Tamil Nadu Power Finance and Infrastructure Development Corporation Limited (₹1,200 crore).

(₹ in crore)

Nature	2014-15	2015-16	2016-17	2017-18	2018-19
Investments	23,065	25,725	29,811	33,579	36,480
Dividends	97	156	185	153	135
Returns in percentage	0.42	0.61	0.62	0.46	0.37

5.1.2. Cash Balance and investment of Cash Balances

Cash Balance with RBI stood at ₹(-)64 crore on 1 April 2018 and further decreased to ₹(-)443 crore at the end of March 2019. The cash balance investment in treasury bills decreased from ₹18,585 crore in 2017-18 to ₹11,008 crore as of 31 March 2019. The interest realised on Cash Balance Investments made during the year was ₹729 crore.

The position of cash balance and investment of cash balance was under:

Cash Balances and Investments

(₹ in crore)

Component	As on 1 April 2018	As on 31 March 2019	Net increase(+)/ decrease(-)
Cash Balances*	(-)64	(-)443	(-) 379
Investments from cash balance (GOI Treasury Bills)	18,585	11,008	(-) 7,577
Other cash balances	12	12	..
(a) Departmental Balances	4	4	..
(b) Permanent Cash imprest **	8	8	..
Investment from earmarked fund balances	28,660	32,652	(+)3,992
(a) Guarantee Redemption Fund	225	277	(+) 52
(b) Other Funds	28,435	32,375	(+) 3,940
Interest realized***	564	729	(+) 165

* The minus balance denotes excess of expenditure over the receipts due to non-reporting of e-receipts majority of which pertain to Registration Department.

** This permanent cash imprest is maintained by drawing officers namely Tahsildars, Treasury Officers

*** It includes interest on investments out of Guarantee Redemption Fund (₹19.28 crore)

5.1.3. Loans and Advances made by the State Government

Total loans and advances made by the State Government during 2018-19 was ₹6,478 crore.

(₹ in crore)

Sector-wise services/loanees	2018-19
Social Sector	2,012
Economic Sector	4,228
Loans to Government Servants	238

5.1.4 Summary of Loans and Advances by the State Government Sector wise

(₹ in crore)

Sector	Balance as on 1 April 2018	Disbursements during the year	Repayments during the year	Loans and advances written off	Balance as on 31 March 2019	Net increase(+)/ Decrease(-) during the year
Social	8,898	2,012	(-) 417*	28	11,299	(+)2,401
Economic	31,554	4,228	6,207	216	29,360	(-)2,194
Government servants	1,319	238	260	..	1,297	(-) 22
Miscellaneous	23	..	612	7	(-)596	(-) 619
Total	41,794	6,478	6,662	251	41,360	(-) 434

*Restructuring of loans due to IFHRMS in respect of loanes under social sector.

5.1.5. Significant disbursement of Loans and Advances by State Government

As on 31 March 2019 a sum of ₹41,359 crore was due to be received by the State Government. The summary of Loans and Advances by the State Government are given in Statement 7 of Vol-I of Finance Accounts with analysis of increase/decrease in the quantum. The detailed statements are given in Statement 18 of Vol-II of Finance Accounts.

(₹ in crore)

Major Heads	Purpose	Amount
Urban Development	Loans to Chennai Metro Rail Corporation Limited (₹600 crore) and Loans to Tamil Nadu Urban Development Fund (₹475 crore)	1,075
Co-operative Societies	Loans to Co-operatives under Integrated Co-operative Development Programme – controlled by the Registrar of Co-operative Societies	287
Power Projects	Tamil Nadu Transmission System Improvement Project with Loan assistance from JICA-01-Loans to TANTRANSCO (₹20 crore) and TANGEDCO (₹121 crore)	141
Consumer Industries	Soft loans to Industrial units under structured assistance package controlled by Industries Commissioner and Director of Industries and Commerce	238
Road Transport	Loan for State Road Transport Undertakings	376

5.1.6. Repayment of Loans and Advances by Government Servants and Public Sector Undertakings

During 2018-19, ₹6,662 crore has been received towards repayment of loans and advances.

(₹ in crore)

Sector-wise services/loanees	2018-19
Social Sector	-417*
Economic Sector	6,207
Miscellaneous	612
Repayment by Government Servants	260

*Restructuring of loans due to IFHRMS in respect of loanees under social sector

The major repayments received were from Electricity Schemes (₹4,571 crore), Road Transport (₹57 crore), Government servants (₹260 crore), Urban Development (₹35 crore), Cooperatives (₹799 crore), Consumer Industries (₹993 crore). Effective steps to recover the outstanding loans (₹41,359 crore) would help the Government's fiscal position. These repayments constitute conversion of old loans to new loans and repayment of the existing loans due to restructuring of loans.

5.2. Debt and Liabilities

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

The target fixed by the Tamil Nadu State Government as per the Tamil Nadu Fiscal Responsibility Act, 2003, is to maintain the ratio of total outstanding debt to GSDP with medium term goal of not being more than 25.2 *per cent* during 2015-16 and thereafter maintain such *per cent* as may be prescribed.

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

Government Liabilities to GSDP:*(₹ in crore)*

Year	Public Debt*	Percentage to GSDP	Public Account**	Percentage to GSDP	Total Liabilities	Percentage to GSDP
2014-15	1,64,634	15.3	27,213	2.5	1,91,847	17.9
2015-16	1,94,096	16.7	28,934	2.5	2,23,030	19.2
2016-17	2,52,039	19.4	31,355	2.4	2,83,394	21.8
2017-18	2,88,769	20.2	37,749	2.6	3,26,518	22.9
2018-19	3,21,642	19.3	47,094	2.8	3,68,736	22.2

* Taken as net of balances.

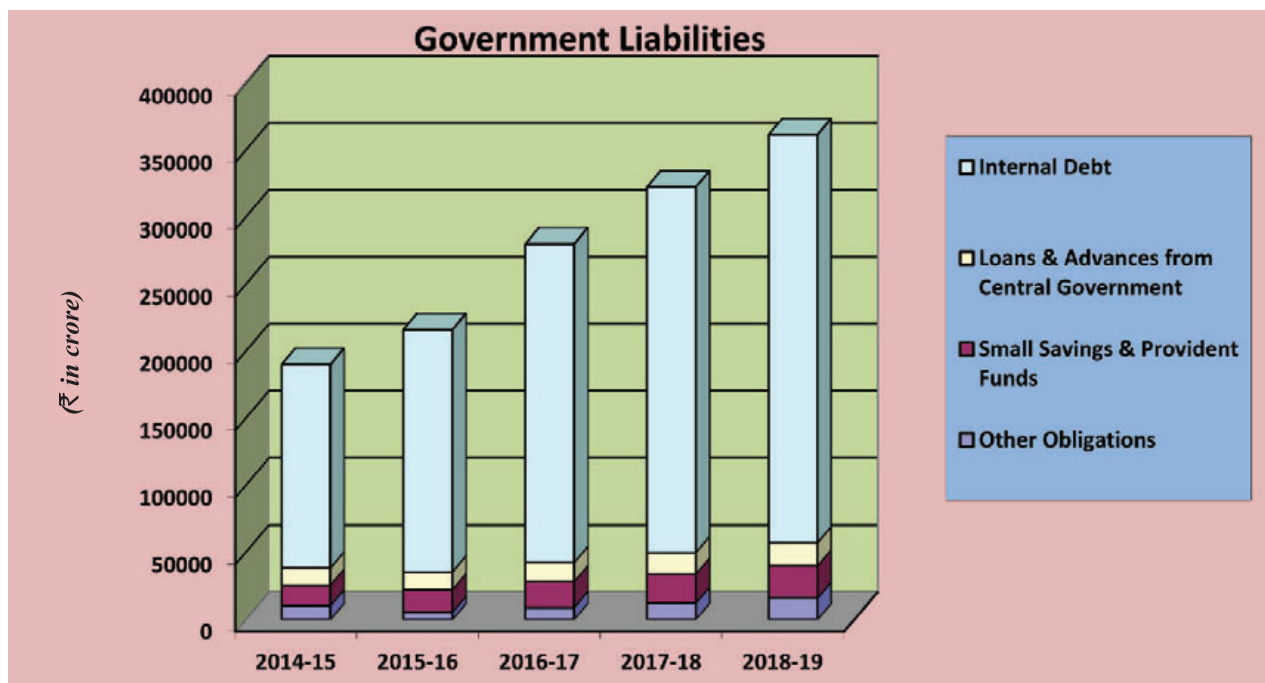
** Excludes Advances, Suspense & Miscellaneous and Remittance balances.

5.3. Government Liabilities:

The Liabilities of the Government comprise repayments of the market loans raised by it (Internal Debt) and the Loans and Advances received from the Government of India. 'Other Liabilities' comprise of 'Small Savings, Provident Funds etc.', 'Reserve Funds' and 'Deposits'. The details of liabilities for five years are presented below.

Trends of outstanding Fiscal Liabilities*(₹ in crore)*

Liabilities	2014-15	2015-16	2016-17	2017-18	2018-19
Internal Debt	1,51,736	1,80,693	2,37,701	2,72,634	3,04,350
Loans and Advances from Central Government	12,898	13,403	14,338	16,135	17,292
Small Savings and Provident Funds	15,332	16,970	19,325	21,660	24,110
Reserve Fund	1,315	1,304	1,342	1,877	1,330
Other Obligations	10,565	10,660	10,688	14,212	21,654



Public debt and other liabilities of the Government decreased from 22.9 *per cent* of GSDP at the end of 2017-18 to 22.2 *per cent* of GSDP at the end of 2018-19 which was within the FRBM target of 25.2 *per cent*.

5.4. Guarantees (Contingent Liabilities)

The Government companies and Corporations raise loans for Financial necessities. The State Government in addition to directly raising loans, also guarantee loans raised by Government companies and corporations from the market and financial institutions for implementation of various plan schemes and programmes.

Guarantee Redemption Fund was constituted by Government in March 2003. The fund is meant for meeting the expenditure incurred towards discharging the 'Guarantees invoked'. The investment as on 31 March 2019 was ₹277 crore.

The position of guarantees issued by the State Government for repayment of loans (payment of principal and interest thereon) raised by Statutory Corporations, Government Companies, Corporations, Co-operative Societies, etc., is given below:

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed	Guarantees outstanding at the end of year
2014-15	2,841	53,698
2015-16	1,935	51,586
2016-17	9,128	29,145
2017-18	15,517	36,131
2018-19	83,140	43,661

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

During 2018-19, the State Government received an amount of ₹118 crore as Guarantee Fee. The receipt is accounted for under the major head “0075.Miscellaneous General Services”. Out of total balance of ₹395 crore in the Guarantee Redemption Fund , ₹277 crore was invested in Treasury Bills.

CHAPTER 6

Miscellaneous Other items

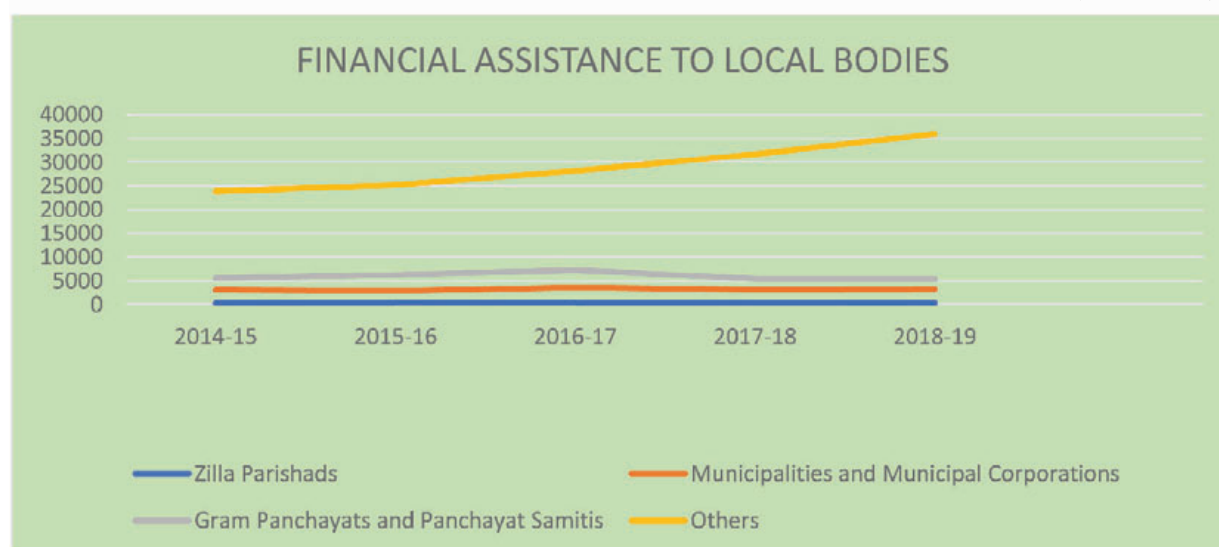
6.1 Financial assistance to local bodies and others

During the past five years, Grants-in-aid to local bodies etc., increased from ₹32,923 crore in 2014-15 to ₹47,826 crore in 2018-19. The Grants to Zilla Parishads, Panchayat Samitis and Municipalities/Municipal Corporations (₹11,892 crore) represented 24.87 *per cent* of total grants given during the year. The Financial assistance to Others (₹35,934 crore) represent the assistance to individual beneficiaries through various social welfare schemes. Details of Grants in aid released in last 5 years are as under:-

(₹ in crore)

Year	2014-15	2015-16	2016-17	2017-18	2018-19
Zilla Parishads	342	347	377	285	337
Municipalities and Municipal Corporations	3,108	2,872	3,617	3,210	4,161
Gram Panchayats and Panchayat Samitis	5,560	6,298	7,222	5,416	7,394
Others	23,913	25,196	28,181	31,720	35,934
Total	32,923	34,713	39,397	40,631	47,826

(₹ in crore)



6.2. Goods and Service Tax

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

As per sanction orders issued by the Ministry of Finance, Government of India, an amount of ₹4,842.82 crore was received on account of advance apportionment of IGST and an amount of ₹603.50 crore was devolved to the State, on the basis of the recommendations of the Fourteenth Finance Commission.

6.2.2. Compensation to the State for revenue loss on roll out of GST :

An amount of ₹3,151 crore was sanctioned during the year as compensation to the State towards loss of revenue on roll out of GST.

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

Based on the recommendations of the Thirteenth Finance Commission, State Disaster Response Fund was constituted for meeting only the expenditure towards provision of immediate relief to the victims of cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloud burst and pest attack.

During the year 2018-19, the State Government transferred ₹786.00 crore to SDRF Account towards natural calamities (Central share of ₹707.40 crore and State share of ₹78.60 crore). In addition, an amount of ₹900.31 crore was also transferred from NDRF. Though the entire amounts have been accounted as spent, the Treasuries/PAOs have not enclosed any spent vouchers/supporting documents along with the monthly accounts to ensure the genuineness of the expenditure.

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

As per the provisions of Defined Contribution Pension Scheme (DCPS) introduced in April 2003, the total accumulation of the fund including interest thereon are to be transferred to Pension Fund Regulatory and Development Authority (PFRDA) or any other agency authorized for this purpose and to designate a Fund Manager. However, even after the lapse of more than 15 years, the Government of Tamil Nadu has not transferred these accumulations to the PFRDA by designating a Fund Manager. Instead, out of ₹29,601.05 crore accumulated in the Funds since inception, the State Government has invested ₹25,697.31 crore in 91 days Non-Competitive Treasury Bills and earned an interest of ₹1,331.66 crore (average interest 5.18 *per cent*) as against interest payment of ₹1,913.90 crore towards DCPS accumulations.

6.5 Non-receipt of Utilisation Certificates for Grants-in-Aid

While sanctioning grants to various bodies for specific purposes, the State Government stipulates that the Utilization Certificates (UCs) are to be forwarded to the Accountant General (A&E) within 18 months from the date of drawal of grants. It was however, observed that UCs amounting to ₹353.47 crore were outstanding beyond the stipulated period as follows:

Year*	No. of UCs pending	Amount (₹ in crore)	Remarks
2015-16	1	10.50	<i>Commissioner of Municipal Administration</i>
2017-18	5	66.11	<i>Commissioner of Municipal Administration, Directorate of Rural Development and Panchayat Raj, Commissionerate of Industries and Commerce and Sports Development Authority of Tamil Nadu.</i>
2018-19	23	276.86	<i>Commissionerate of Agriculture, Director of Fisheries, Directorate of Backward Classes, MBC and MW, Directorate of Town and Country Planning, Tamil Nadu Slum Clearance Board, Commissioner of Municipal Administration, Directorate of Rural Development and Panchayat Raj, Commissionerate of Industries and Commerce and Tamil Nadu Physical Education and Sports University</i>
Total	29	353.47	

• The year mentioned above relates to “Due Year” i.e. after 18 months of actual drawal

Non-receipt of Utilization Certificates has decreased marginally from ₹367.49 crore during 2017-18 to ₹353.47 crore during 2018-19.

6.6 Outstanding Temporary Advances:

The Drawing and Disbursing Officers (DDOs) have been empowered to draw Temporary Advances (TAs) under Article 99 of Tamil Nadu Financial Code, Volume I. Accordingly, it is mandatory on the part of DDOs to submit adjustment bills within three months from the date of drawal of such advances. Treasuries/PAOs monitor the settlement of adjustment bills against the Temporary Advances drawn and to report to the Accountant General every quarter regarding the outstanding Temporary Advances. There were 988 numbers of outstanding Temporary Advances amounting to ₹425.51 crore remaining unadjusted as on 31 March 2019 as reported by the Commissioner of Treasuries and Accounts. The details, with year-wise break up of pendency are stated below.

Details of outstanding Temporary Advances as on 31 March 2019:

(₹ in crore)

Period of pendency	No. of Items	Amount
More than 10 years	17	3.83
More than 5 years and less than 10 years	14	4.09
More than 1 year and less than 5 years	68	179.63
Less than 1 year	889	237.96
Total	988	425.51

Out of the total outstanding Temporary Advances amounting to ₹425.51 crore, the major departments which did not submit the settlement bills under more than 10 years category are District Election Officers, Director of Social Welfare and Director of Animal Husbandry.

Amount of Outstanding Temporary Advances increased to ₹425.51 crore during 2018-19 compared to ₹261.90 crore in 2017-18.

Non-adjustment of outstanding advances beyond the stipulated time indicates lack of adequate financial controls and transparency in the management of the temporary advances. The facts of Non-adjustment are reported by the Accountant General to the Government periodically for necessary action.

6.7 Return Payment under Electronic Clearance Services (Return ECS)/ Unencashed Cheques :

Credit balance under the Major Head '8670 Cheques and Bills' indicates the extent to which cheques issued but remain un-encashed and return ECS at the end of the year. As on 31 March 2019, cheques amounting to ₹1,157.30 crore (Credit) remain un-encashed.

Similarly, payments made by Treasuries and PAOs through Electronic Clearance Services (ECS) amounting to ₹30.50 crore also remain un-credited to recipients' bank accounts mainly due to incorrect account numbers which do not match with the records of the Bank. In such cases, the concerned banks return the details of amounts not credited to the recipients to the Treasuries and PAOs, who are expected to take it to the concerned service Major Head under Part I where the amount was originally debited. However, as on 31 March 2019, an amount of ₹480.00 crore representing unencashed cheques was kept under Part III Public Accounts for want of original service head details overstating expenditure to that extent under the respective service major heads.

The fact of return ECS has been brought to the notice of the Government periodically by the Accountant General for further necessary action.

6.8 Rush of expenditure

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

However, an amount of ₹8,804.59 crore (3.97 *per cent* of total expenditure of ₹2,21,511.44 crore) was booked under 406 sub heads during March 2019 though no expenditure was incurred till February 2019 during the year 2018-19. Details of such rush of expenditure during March 2019 are given below.

(₹ in crore)

Sl. No.	Category	No. of Items	Amount
1.	Above 1000 crore	2	2,733.56
2.	Between 501 crore and 1000 crore	1	712.54
3.	Between 101 crore and 500 crore	13	3,268.01
4.	Between 1 crore and 100 crore	138	2,028.96
5.	Below 1 crore	252	61.52
	Total	406	8,804.59

During 2018-19, 35.10 *per cent* (₹85,309.38 crore) of total expenditure (₹2,43,053.09 crore) was incurred during last quarter of the current financial year, whereas, 33.06 *per cent* (₹75,567.73 crore) of the total receipts (₹2,28,590.81 crore) were received during the last quarter. Comparison of month wise receipt corresponding to expenditure for the last quarter (January 2019 to March 2019) is as under:

(₹ in crore)

Month	Expenditure	Receipt	Expenditure compared to Receipts Increase (+) / Decrease (-)
January 2019	20,587.35	22,912.56	(-)2,325.21
February 2019	21,268.90	21,896.07	(-)627.17
March 2019	43,452.83	30,759.10	(+)12,693.73
Total	85,309.08	75,567.73	(+)9,741.35

However, during this period of previous year the expenditure was 33.01 *per cent* (₹67,210.67 crore) of total expenditure (₹2,03,584.71 crore). Details of substantial expenditure incurred by the Departments are given in **Annexure K** of Finance Accounts Vol.I.

6.9 Ujwal DISCOM Assurance Yojana (UDAY)

Under Ujwal DISCOM Assurance Yojana (UDAY), a scheme for financial turnaround of Power Distribution Companies (DISCOM) was introduced by the Government of India in 2015 with an objective to improve the operational and financial efficiency of the State DISCOMs. Assistance to the extent of ₹22,815 crore was treated as 'Loan' by the State Government. As per instructions detailed in the loan credited under MH-6003-106, was repayable by Government of Tamil Nadu after completion of six years from the year of receipt of loan assistance in 2016-17. Further, the State Government converted the interest free loan into grant i.e., one instalment (total 5 equal instalments) commencing from the year 2017-18 by appropriating funds for ₹4,563 crore and carried out the necessary adjustment debiting Grant for debt servicing under head of account 2801-80- 101-JH' and crediting the loan major head 6801. After converting the interest free loan into grant during 2017-18 and 2018-19, the outstanding loan under major head 6801 was ₹13,689 crore.

6.10 Non-receipt of vouchers & List of Payment for the expenditure booked in the accounts:

As recorded in the Objection Book Register for the year 2018-19, it is observed that 1398 vouchers valuing ₹405.08 crore were found wanting from the various accounts rendering units (Treasuries / PAOs) to the Accountant General (A&E) in support of the expenditure booked in the accounts. Though the concerned Treasuries / PAOs were reminded, the wanting vouchers have not been furnished to Accountant General (July 2019).

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