



ACCOUNTS AT A GLANCE 2020-21



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



GOVERNMENT OF TAMIL NADU



ACCOUNTS AT A GLANCE FOR THE YEAR 2020-21

GOVERNMENT OF TAMIL NADU

This is the twenty third 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 : 28.02.2022

TABLE OF CONTENTS

Chapter I	OVERVIEW	Page No.
1.1	Introduction	1
1.2	Structure of Accounts	1
1.3	Finance Accounts and Appropriation Accounts	3
1.4	Sources and Application of Funds	4
Chapter II	RECEIPTS	
2.1	Introduction	12
2.2	Revenue Receipts	12
2.3	Trend of Receipts	14
2.4	Performance of State Own Tax Revenue Collection	16
2.5	Trend in State share of Union taxes during the past Five years	17
2.6	Grants-in-aid	18
Chapter III	EXPENDITURE	
3.1	Introduction	19
3.2	Revenue Expenditure	19
3.3	Capital Expenditure	23
3.4	State Fund Expenditure	24
Chapter IV	APPROPRIATION ACCOUNTS	
4.1	Summary of Appropriation Accounts	25
4.2	Trends of saving/excess during the past Five years	26
4.3	Significant saving in the approved grants	26
4.4	Expenditure on New Service	29
4.5	Expenditure without Budget Provision/ Reappropriation	29
Chapter V	ASSETS AND LIABILITIES	
5.1	Assets	31
5.2	Debt and Liabilities	34
5.3	Government Liabilities	35
5.4	Guarantees(Contingent Liabilities)	36

Chapter VI**OTHER ITEMS****Page No.**

6.1	Financial Assistance to Local Bodies and Others	38
6.2	Goods and Service Tax	39
6.3	State Disaster Response Fund (SDRF) / National Disaster Response Fund (NDRF)	39
6.4	Non-transfer of Fund to Pension Fund Regulatory Development Authority (PFRDA)	40
6.5	Non-receipt of Utilisation Certificate for Grants-in-Aid	41
6.6	Outstanding Temporary Advances	42
6.7	State Compensatory Afforestation Fund (SCAF)	43

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.

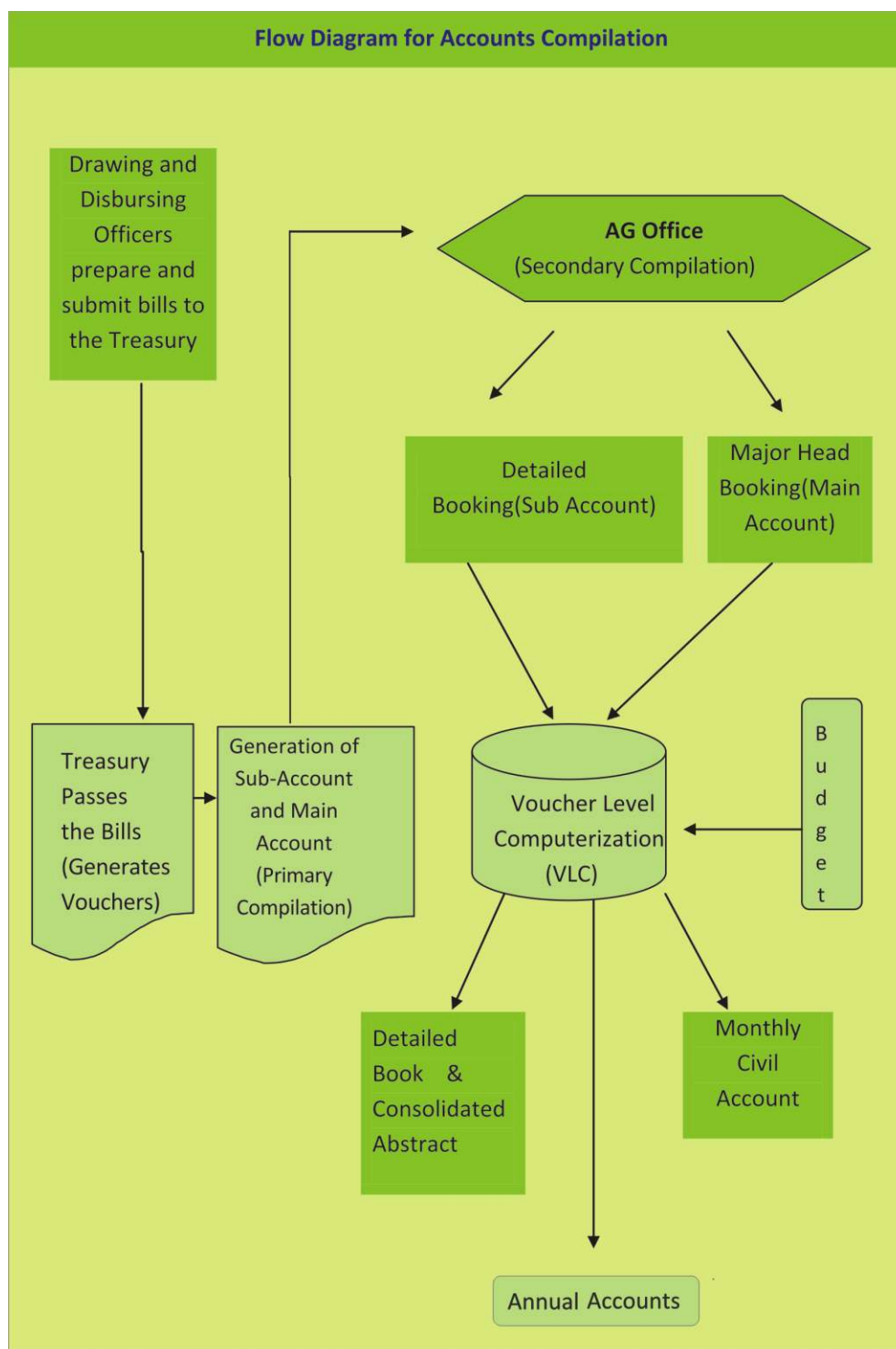
Following such monthly compilation, the Accountant General (A&E) prepares the Finance Accounts and Appropriation Accounts annually, which are placed before the State Legislature after audit by the Principal Accountant General (Audit-I) Tamil Nadu and certification by the Comptroller and Auditor General 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 2020-21 are given below:-

1.3.2 Receipts and Disbursements

(₹ in crore)

Receipts (Total: ₹2,73,304)	Revenue (Total: ₹1,74,076) (1+2+3)	Tax Revenue	1,31,077
		Non-tax Revenue	10,422
		Grants-in-aid	32,577
	Capital (Total: ₹99,228) (1+2+3)	Misc. Capital Receipts	NIL
		Recovery of Loans and Advances	5,245
		Borrowings and other Liabilities*	93,983
Disbursements (Total: ₹2,73,304)	Revenue		2,36,402
	Capital		33,068
	Loans and Advances		3,834

*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 2020-21, ₹18,226 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 2020-21, were made to MGNREGA (₹7,110 crore), Tamil Nadu Civil Supplies Corporation Limited (₹3,110 crore), MFL & SPIC (₹2,832 crore) and Pradhan Mantri Kissan Samman Nidhi (PM-Kissan) (₹2,604 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, 2020-21 provided for gross expenditure of ₹3,38,972 crore and reduction of expenditure (recoveries) of ₹4,564 crore. Against this, the actual gross expenditure was ₹2,93,754 crore and the reduction of total expenditure was ₹4,221 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 2020-21, the Government of Tamil Nadu did not resort to OD facilities and WMA.

1.4.2 Funds Flow Statement

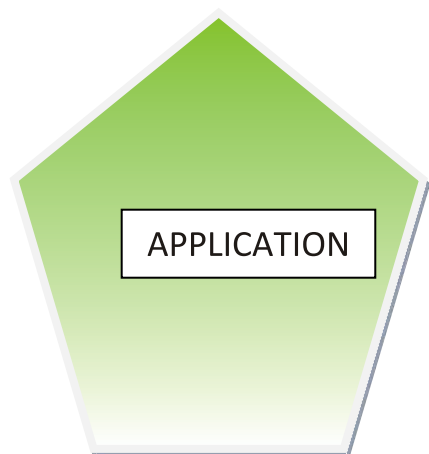
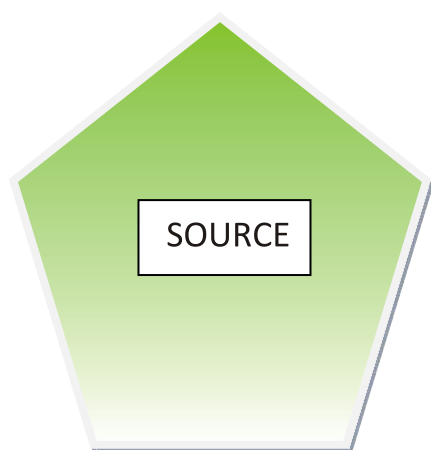
The State had a Revenue Deficit of ₹62,326 crore which represents 3.28 per cent of GSDP*. The Fiscal Deficit of ₹93,983 crore accounted for 4.94 per cent of the GSDP and 34.39 per cent of total expenditure. The Fiscal Deficit was met from Public Debt Receipts (₹1,02,867 crore) and net increase in Public Account (₹5,954 crore).

Around 85.77 per cent of the Revenue Receipts (₹1,74,076 crore) of the State Government was spent on committed expenditure (₹1,49,399 crore) like Salaries (₹41,216 crore), Interest Payments (₹36,497 crore), Pensions (₹26,204 crore), Subsidies (₹25,110 crore), Salary Grants (₹8,027 crore), Social Security and other Pensions (₹1,203 crore), Wages (₹105 crore) and Compensation and Assignment to Local Bodies and Panchayati Raj Institutions (₹804 crore) and Dearness Allowances (₹10,233 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 2020-2021, ₹19,02,689 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 01.04.2020	940
❖ Revenue Receipts	1,74,076
❖ Capital Receipts	NIL
❖ Recovery of Loans and Advances	5,245
❖ Public Debt	1,02,867
❖ Small Savings, Provident Fund and Others	8,997
❖ Reserve Funds	4,898
❖ Deposits Received	1,27,435
❖ Contingency Fund	NIL
❖ Suspense Account*	6,95,381
TOTAL	11,19,839

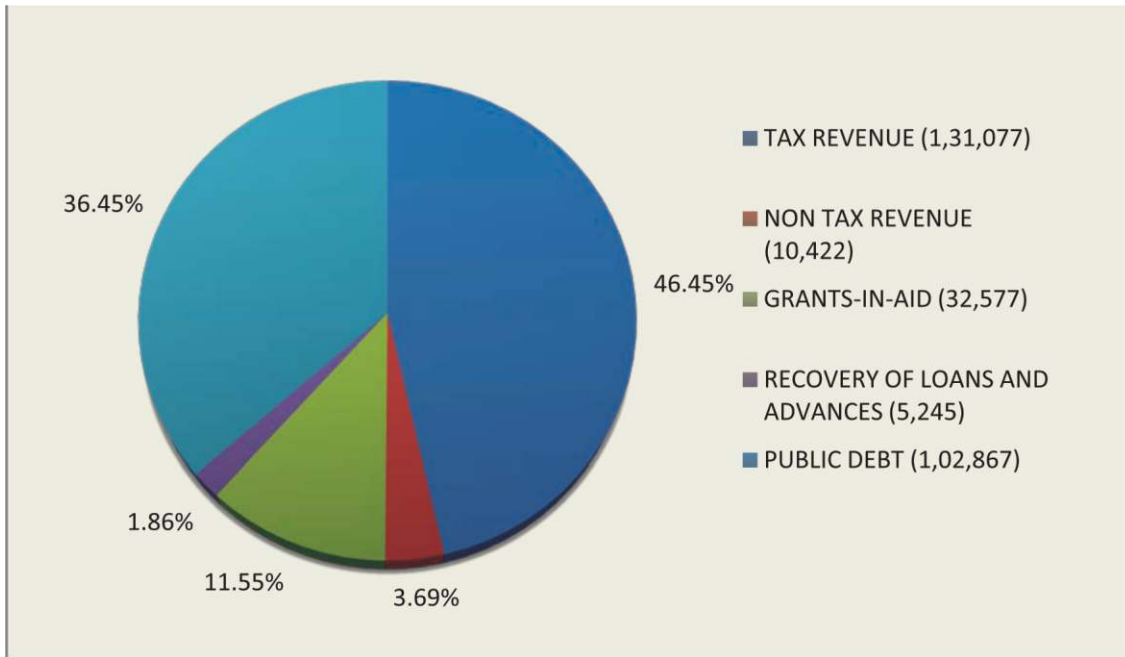
PARTICULARS	AMOUNT
❖ Revenue Expenditure	2,36,402
❖ Capital Expenditure	33,068
❖ Loans Given	3,834
❖ Repayment of Public Debt	16,228
❖ Small Savings, Provident Fund and Others	6,120
❖ Reserve Funds	4,912
❖ Deposits Disbursed	1,21,883
❖ Suspense Account*	6,97,842
❖ Remittances	NIL
❖ Closing Cash Balance as on 31.03.2021 \$	(-) 450
TOTAL	11,19,839

* The suspense account includes ₹4,51,092 crore invested in treasury bills which is shown on the “Application” side and ₹4,55,612 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 receipts by the Banks to the Treasuries.

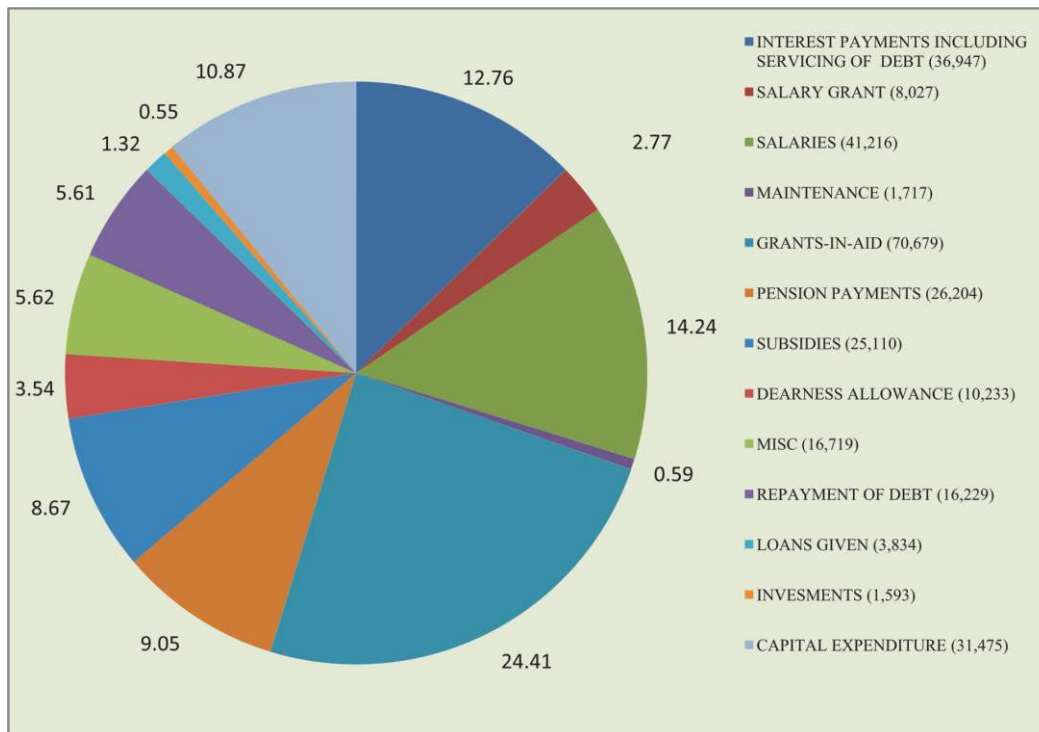
1.4.4 Where the Rupee came from:

(₹ 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) 2020-21	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP [@]
<i>(₹ in crore)</i>					
1.	Tax Revenue*	1,66,380	1,31,077	78.78	6.89
2.	Non-Tax Revenue	15,899	10,422	65.55	0.55
3.	Grants-in-aid and Contributions	37,097	32,577	87.82	1.71
4.	Revenue Receipts (1+2+3)	2,19,376	1,74,076	79.35	9.15
5.	Receipts on Capital Account	--	--	--	--
6.	Recoveries of Loans and Advances	5,364	5,245	97.78	0.3
7.	Net Borrowings and Other Liabilities	59,346	93,983	158.36	4.94
8.	Total Capital Receipts (5+6+7)	64,710	99,228	153.34	5.22
9.	Total Receipts (4+8)	2,84,086	2,73,304	96.20	14.36
10.	Expenditure on Revenue Account	2,40,993	2,36,402	98.09	12.42
11.	Expenditure on Capital Account	36,368	33,068	90.93	1.74
12.	Loans and Advances	6,725	^{\$\$} 3,834	57.01	0.20
13.	Total Expenditure (10+11+12)	2,84,086	2,73,304	96.20	14.36
14.	Revenue Deficit (-)/ Surplus (+) ** (4-10)	(-) 21,617	(-) 62,326	--	--
15.	Fiscal Deficit** [13-(4+5+6)] = 7	(-),59,346	(-) 93,983	--	--

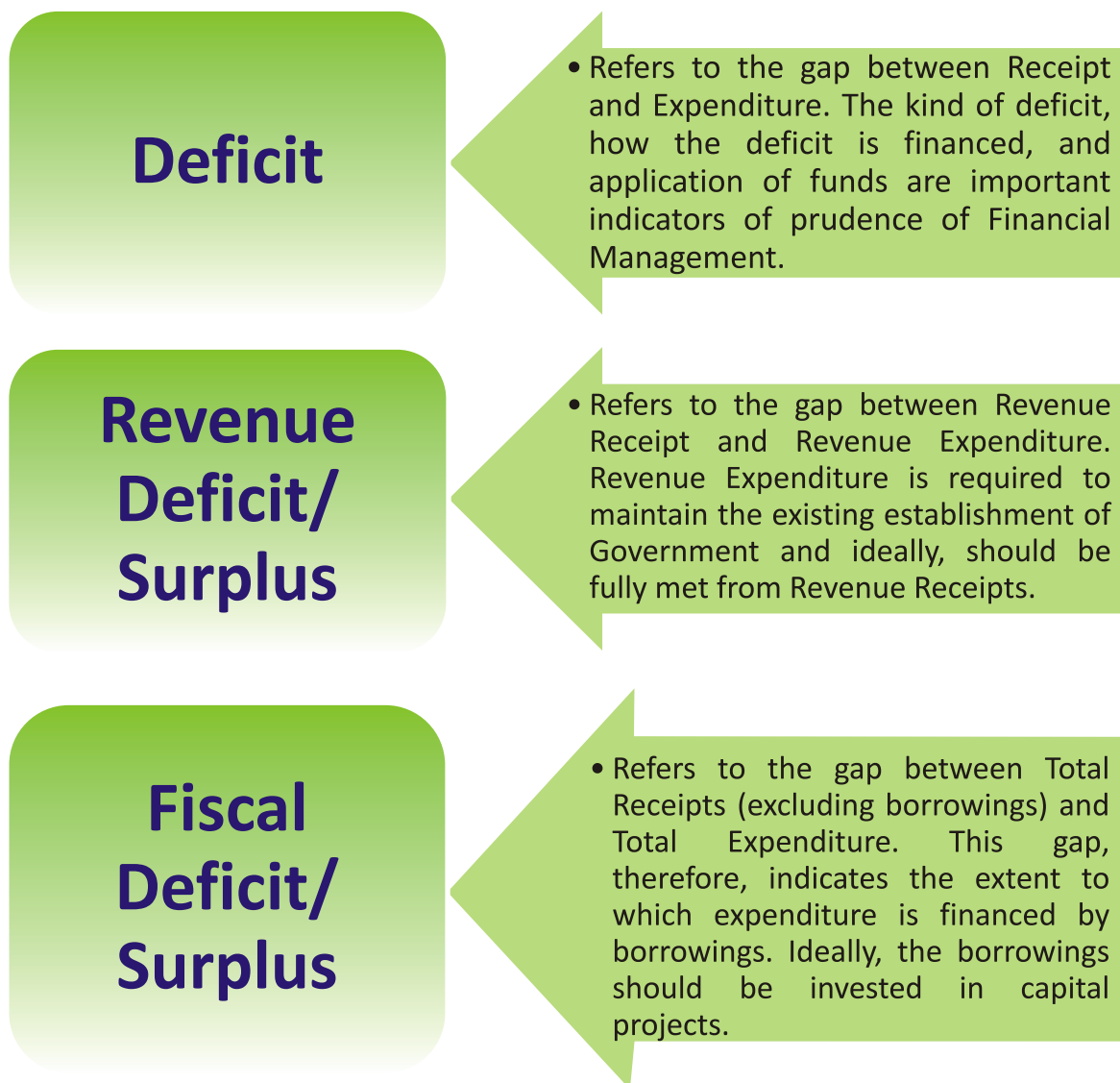
[@] Broadly, sum of the products of all goods and services rendered by the State in monetary terms during a year before making any provision for Consumption of Fixed Capital (C.F.C.) is known as Gross State Domestic Product (GSDP). GSDP at current price is ₹19,02,689 crore.

* Includes share of net proceeds assigned to State (₹24,925 crore) 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 Advances disbursed) over the Revenue Receipts, recoveries of Loans and Advances and Other Receipts.

^{\$\$} Includes ₹103.25 crore Capital grant converted as Loan under Major Head “6408” through book adjustment.

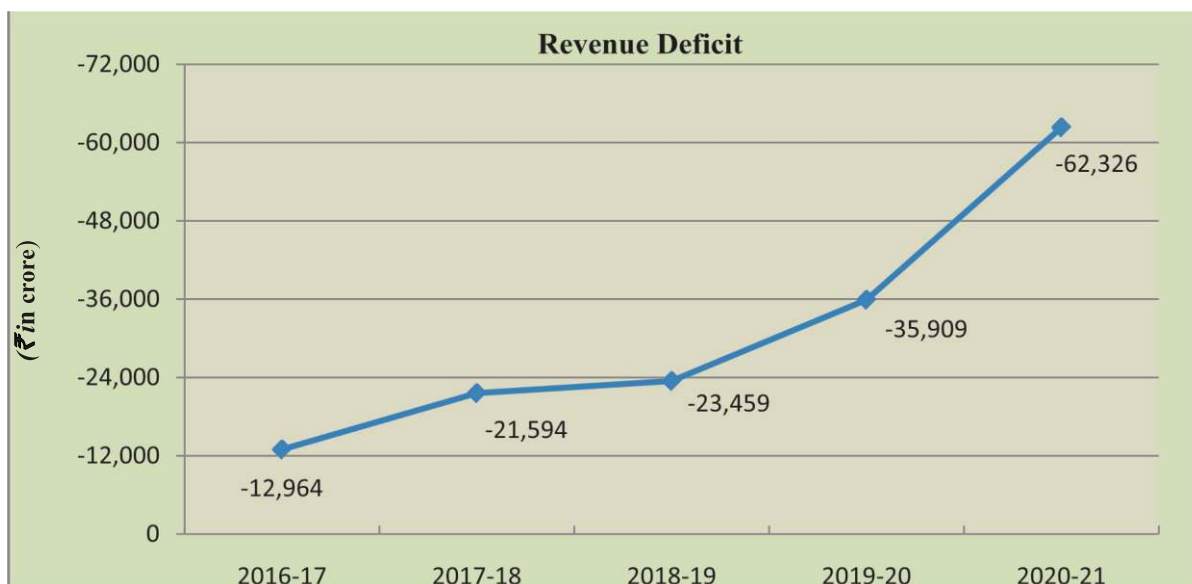
1.4.7 What do the Deficits and Surplus indicate ?



1.4.8 Revenue Deficit/Surplus

There is a Revenue Deficit trend from 2013-14 onwards. The Revenue Deficit during 2020-21 has increased from ₹35,909 crore (2019-20) to ₹62,326 crore, registering an increase of 73.57 per cent over the previous year. It would be pertinent to note that as per the Tamil Nadu Fiscal Responsibility Act 2003 the Government of Tamil Nadu presented the Medium Term Fiscal Policy and Strategy Statement to eliminate Revenue Deficit by 2021-22 and adhere to it thereafter as per TNFR (Amendment) Act, 2020. The Government of Tamil Nadu had a Revenue Deficit of ₹62,325.88 crore in 2020-21 (3.28 *per cent* of GSDP).

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 2022 and adhere to it thereafter as per TNFR (Second Amendment) Act, 2020.

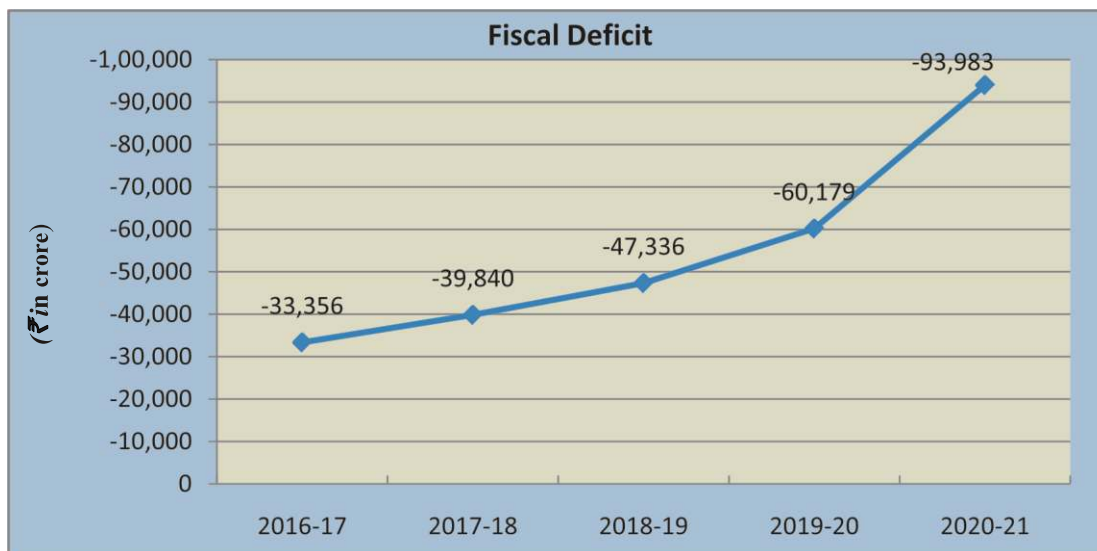
The Fiscal Deficit of the State during the year increased from ₹60,179 crore (2019-20) to ₹93,983 crore. This constituted 4.94 per cent of GSDP.

Fiscal deficit compared to GSDP and trend of Fiscal Deficit for the years from 2016-17 to 2020-21 is indicated below.

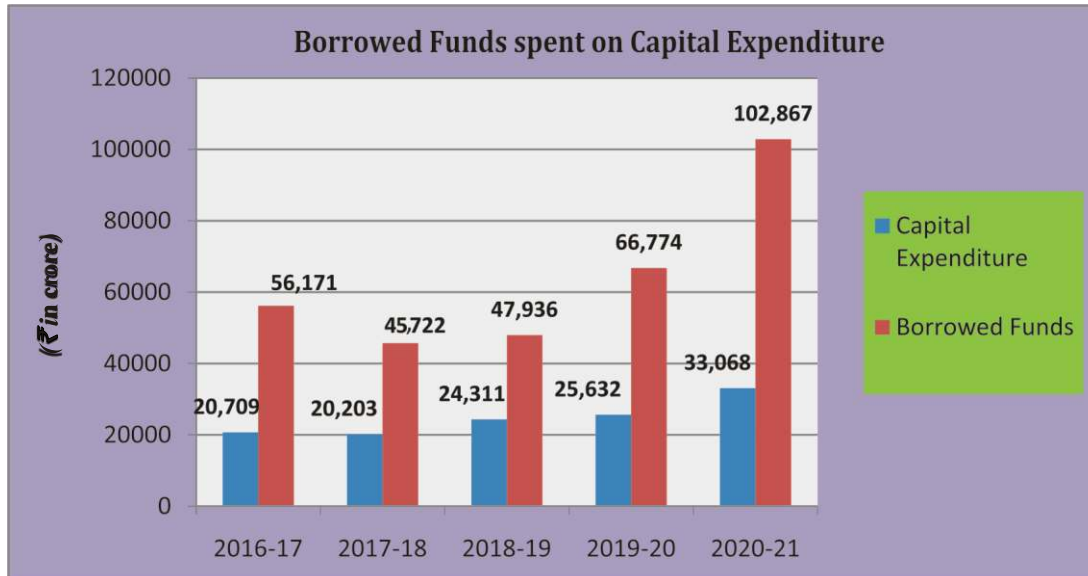
Fiscal Deficit compared to GSDP

Year	Percentage of Fiscal Deficit to GSDP	Increase/Decrease
2016-17	2.56	(-) 0.13
2017-18	2.79	(+) 0.23
2018-19	2.84	(+) 0.05
2019-20	3.26	(+) 0.42
2020-21	4.94	(+) 1.68

Trend of Fiscal Deficit



1.4.11 Trend of borrowed funds spent on Capital Expenditure

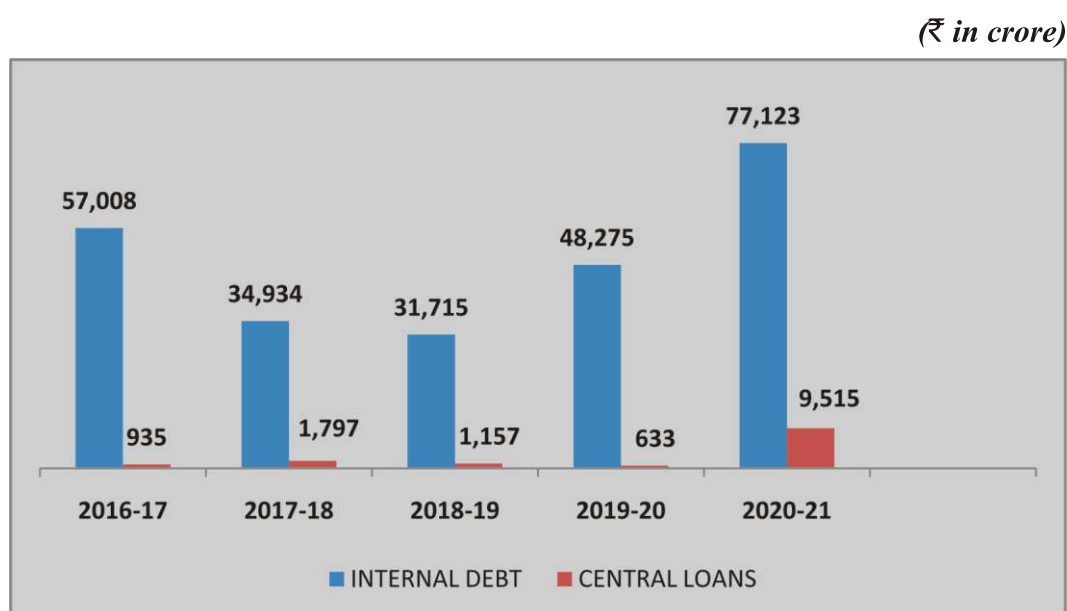


It is prudent to fully utilize borrowed funds for the creation of Capital Assets, and to use Revenue Receipts for the repayment of principal and interest thereon. However, the State Government had spent less expenditure on Capital Account (₹33,068 crore) out of the borrowings of the current year (₹1,02,867 crore) and remaining borrowings of (₹69,799 crore) were mainly utilized to disburse Loans and Advances (₹3,834 crore), Repayment of Public Debt (₹16,229 crore) and other Revenue Expenditure (₹49,736 crore).

1.4.12 Trend of Public Debt

In 2020-21, 65 loans totaling ₹87,977 crore were raised on par at interest rates varying from 4.52 *per cent* to 7.75 *per cent*. Out of these loans, 10 loans in 2023, 4 loans in 2024, 4 loans in 2025, 1 loan in 2027, 3 loans in 2029, 20 loans in 2030 and 6 loans in 2031 will redeem and 17 loans will redeem thereafter.

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



2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts for 2020-21 were ₹2,73,304 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 gives Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous Bodies, etc.

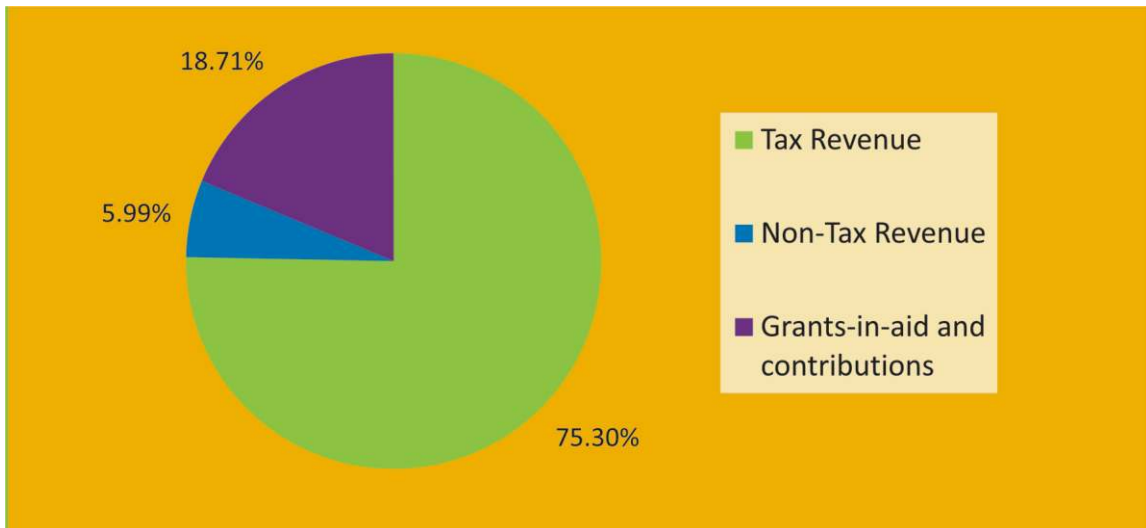
2.2.1 Components of Revenue Receipts (2020-21)

(₹ in crore)

Components	Actuals	Percentage to Total Revenue Receipt
A. Tax Revenue *	1,31,077	75.30
Goods and Service Tax (GST)	45,349	26.05
Taxes on Income and Expenditure	15,230	8.75
Taxes on Property and Capital Transactions	11,894	6.83
Taxes on Commodities and Services Other than GST	58,604	33.67
B. Non-Tax Revenue	10,422	5.99
Interest Receipts, Dividends and Profits	3,730	2.14
General Services	1,231	0.71
Social Services	3,992	2.29
Economic Services	1,469	0.85
C. Grants-in-aid and Contributions	32,577	18.71
Total- Revenue Receipts (A+B+C)	1,74,076	100.00

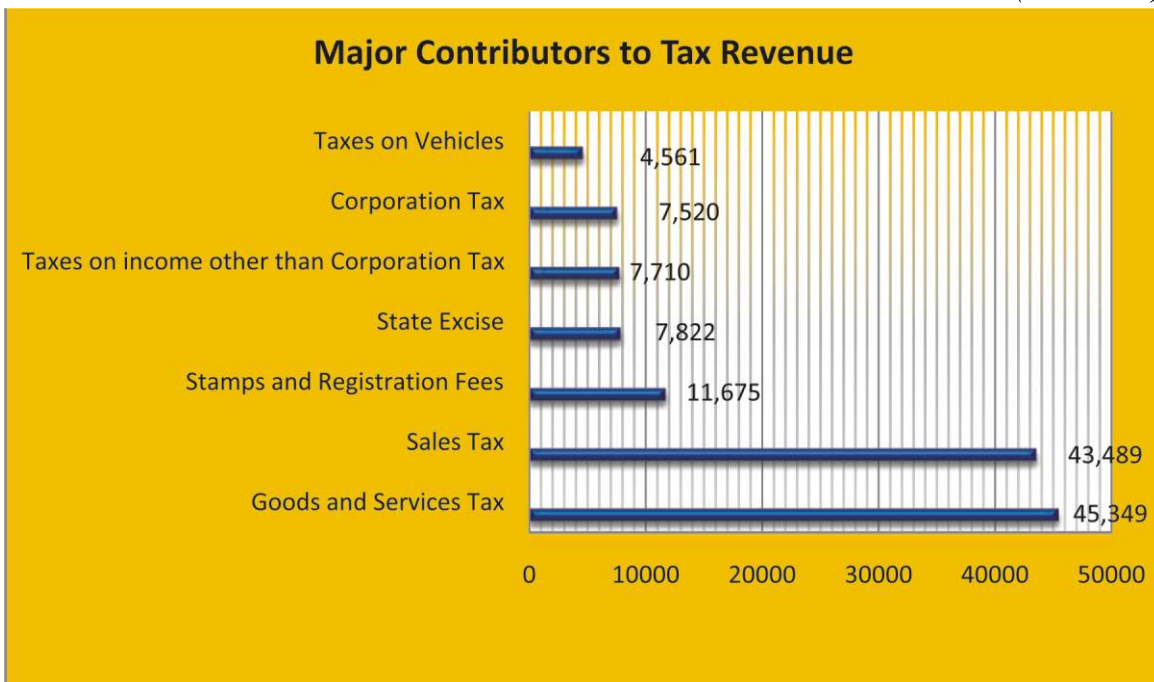
*Includes share of net proceeds (₹24,925 crore) assigned to State received from the Government of India.

2.2.1.a.Components of Revenue Receipts



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 ₹1,66,380 crore and the Actuals was ₹1,31,077 crore. The Net Tax Revenue was less than Budget Estimates by ₹35,303 crore. The major variations are given as a percentage of the Budget Estimates.

(₹ in crore)

Where Actual Receipt was less than Budget Estimates			
Heads	Budget	Actuals	Decrease in percentage
Taxes and Duties on Electricity	1,480	482	67.4
Union Excise Duties	1,340	838	37.5
Taxes on Vehicles	6,898	4,561	33.9
Corporation Tax	10,104	7,520	25.6
Taxes on Sales, Trade, etc	56,046	43,489	22.4
Stamps and Registration Fees	14,435	11,675	19.1
Taxes on Income other than Corporation Tax	9,395	7,710	17.9

2.3. Trend of Receipts

During the year, the GSDP increased by 3.08 per cent and growth in total revenue collection was marginally reduced by 0.26 per cent in comparison to the previous year. The Tax Revenue decreased by 2.08 *per cent*, Non Tax Revenue decreased by 19.13 *per cent* and Grants-in-aid increased by 17.26 *per cent* respectively in comparison to previous year.

(₹ in crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
Tax Revenue	1,10,479 (8.5)	1,20,836 (8.5)	1,36,173 (8.2)	1,33,855 (7.3)	1,31,077 (6.9)
Non-Tax Revenue	9,914 (0.8)	10,764 (0.8)	14,200 (0.9)	12,888 (0.7)	10,422 (0.5)
Grants-in-aid	19,838 (1.5)	14,680 (1.0)	23,368 (1.4)	27,783 (1.5)	32,577 (1.7)
Total Revenue Receipts	1,40,231 (10.8)	1,46,280 (10.3)	1,73,741 (10.4)	1,74,526 (9.5)	1,74,076 (9.2)
GSDP	12,98,511	14,27,074	16,64,159	18,45,853	19,02,689

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	2016-17	2017-18	2018-19	2019-20	2020-21
Goods and Services Tax	..	27,708 (1.9)	46,698 (2.8)	45,866 (2.5)	45,349 (2.4)
Taxes on Income and Expenditure	13,327 (1.0)	15,305 (1.1)	18,577 (1.1)	16,050 (0.9)	15,230 (0.8)
Taxes on Property and Capital Transactions	7,418 (0.6)	9,355 (0.7)	11,259 (0.7)	11,123 (0.6)	11,894 (0.6)
Taxes on Commodities and Services	89,734 (6.9)	68,468 (4.8)	59,659 (3.6)	60,816 (3.3)	58,604 (3.1)
Total Tax Revenue	1,10,479 (8.5)	1,20,836 (8.5)	1,36,173 (8.2)	1,33,855 (7.3)	1,31,077 (6.9)
GSDP	12,98,511	14,27,074	16,64,159	18,45,853	19,02,689

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 2016-17 to 2020-21 is 18.6 *per cent*. However, the State's own Tax Revenue collection with reference to GSDP showed decreasing trend from 6.6 *per cent* in 2016-17 to 5.6 *per cent* in 2020-21.

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	State's Own Tax Revenue as Percentage to GSDP
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
2019-20	1,33,855	26,393	1,07,462	5.8
2020-21	1,31,077	24,925	1,06,153	5.6

2.4.1. Efficiency of Tax Collection

Taxes on commodities and services form a major part of tax revenue. Tax collection efficiency in respect of Taxes on Property and Capital Transactions have marginally decreased during 2020-21 and in respect of Taxes on Commodities and Services remains the same.

A. Taxes on Property and Capital Transactions

(₹ in crore)

Description	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Collection	7,418	9,355	11,259	11,123	11,894
Expenditure on Collection	413	480	522	587	596
Efficiency of Tax Collection (in <i>per cent</i>)	5.6	5.1	4.6	5.3	5.0

B. Taxes on Commodities and Services

(₹ in crore)

Description	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Collection	89,734	68,468	59,659	60,816	58,604
Expenditure on Collection	552	615	705	845	821
Efficiency of Tax Collection (in <i>per cent</i>)	0.6	0.9	1.2	1.4	1.4

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

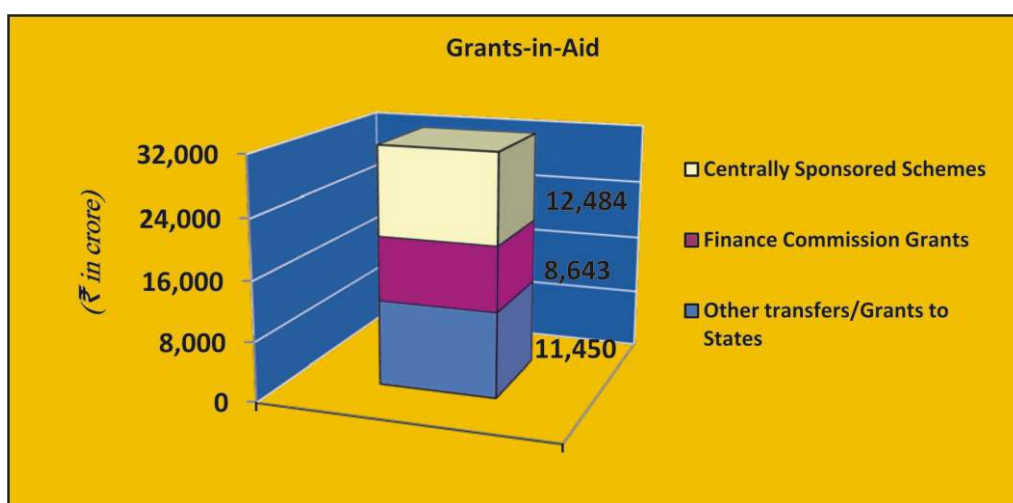
The State share of Union Taxes to the Total Tax Revenue has marginally decreased from 19.72 *per cent* during 2019-20 to 19.02 *per cent* during 2020-21.

(₹ in crore)

Major Head description	2016-17	2017-18	2018-19	2019-20	2020-21
Goods and Services Tax (CGST)	..	3,118.0	8,165.0	7,489.0	7,407.0
Other taxes on income and expenditure	..	..	55.0	..	..
Corporation Tax	7,863.0	8,298.0	10,655.0	8,999.0	7,520.0
Taxes on Income other than Corporation Tax	5,464.0	7,007.0	7,847.0	7,051.0	7,710.0
Taxes on Wealth	18.0	(-) 0.3	3.9	0.4	..
Customs	3,124.0	2,735.0	2,172.0	1,673.0	1,324.0
Union Excise Duties	4,120.0	2,859.0	1,443.0	1,163.0	838.0
Service Tax	3,949.0	3,083.0	282.0	..	108.0
Other Taxes and Duties on Commodities and Services	..	..	15.7	16.7	17.9
State Share of Union Taxes	24,538.0	27,099.0	30,639.0	26,393.0	24,925.0
Total Tax Revenue	1,10,479.0	1,20,836.0	1,36,173.0	1,33,855.0	1,31,077.0
<i>Per cent</i> of Union Taxes to Total Tax Revenue	22.2	22.4	22.5	19.7	19.0

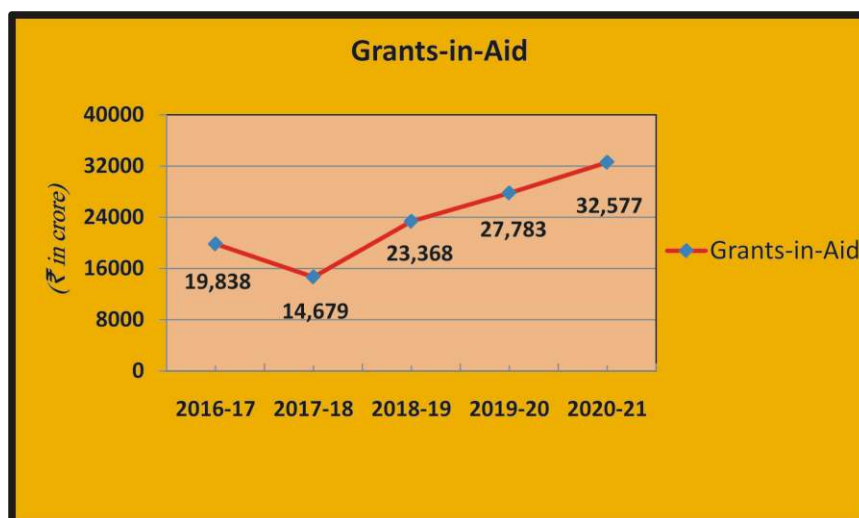
2.6.Grants-in-Aid

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 2020-21 total receipts under Grants-in-aid were ₹32,577 crore (No amount was refunded under Grants for States /Union Territories towards Plan Schemes for the year).



2.6.1 Trend of Grants-in-Aid from Central Government

The trend of Grants-in-Aid received from Central Government has increased by ₹4,794 crore during 2020-21 from that of 2019-20.



3.1. Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is incurred for the day-to-day management of the Government. Capital expenditure is incurred to create permanent assets like buildings, roads and bridges or to enhance the utility of such assets, or to reduce liabilities like Loans from Government of India, Open market Loans, etc. Further, expenditure is distributed among the sectors, viz, General Services, Social Services and Economic Services as follows:

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 total estimates for Revenue Expenditure stood at ₹2,70,426 crore during 2020-21. (The Original Budget for Revenue expenditure was estimated at ₹2,40,993 crore and the State had obtained provision for Supplementary Grant of ₹11,642 crore in July 2020 and ₹17,791 crore in March 2021). However, the actual Revenue Expenditure was ₹2,36,402 crore only which was less than the estimated Original Budget Estimates by ₹4,591 crore. The shortfall/excess of Revenue Expenditure against Original Budget Estimates during the past five years is given below:

(₹ in crore)

Description	2016-17	2017-18	2018-19	2019-20	2020-21
Original Budget Estimates	1,64,030	1,75,293	1,93,742	2,12,036	2,40,993
Actuals	1,53,195	1,67,874	1,97,201	2,10,435	2,36,402
Gap	10,835	7,419	(-) 3,459	1,601	4,591
Percentage of gap over BE	6.6	4.2	(-) 1.8	0.8	1.9

Around 63.2 *per cent* of the Revenue Expenditure was "committed" to Salaries (₹41,216 crore), Interest Payments (₹36,497 crore), Pensions (₹26,204 crore), Subsidies (₹25,110 crore), Salary Grants (₹8,027 crore), Social Security and other Pensions (₹1,203 crore), Wages (₹105 crore), Dearness Allowances (₹10,233 crore) and Compensation and Assignment to Local Bodies (₹804 crore).

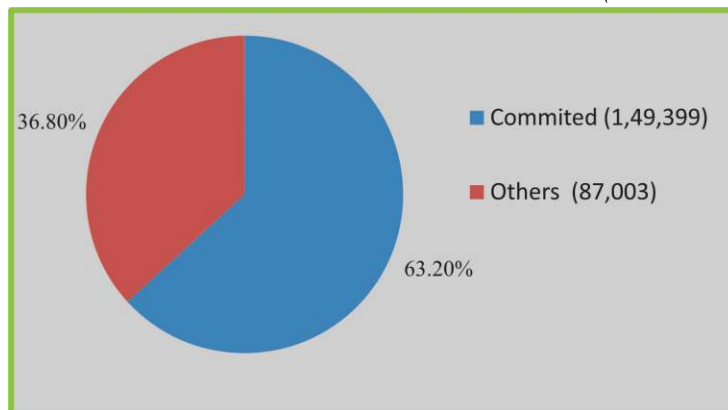
The position of Committed and Other Revenue Expenditure over the last five years is given below:

(₹ in crore)

Description	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Expenditure	1,53,195	1,67,874	1,97,201	2,10,435	2,36,402
Revenue Receipts	1,40,231	1,46,280	1,73,741	1,74,526	1,74,076
Committed Revenue Expenditure	98,564	1,17,438	1,32,156	1,43,179	1,49,399
Uncommitted Revenue Expenditure	54,631	50,436	65,045	67,256	87,003
Committed Revenue Expenditure to Revenue Receipts (in <i>per cent</i>)	70.3	80.1	76.1	82.0	85.8
Committed Revenue Expenditure to total Revenue Expenditure (in <i>per cent</i>)	64.3	70.0	67.0	68.0	63.2

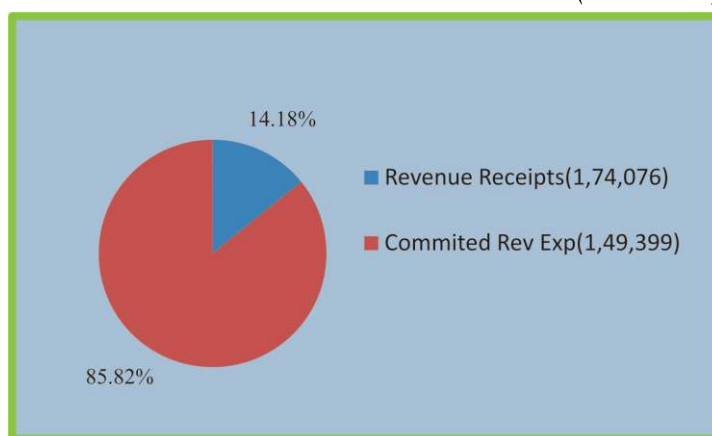
3.2.1 Total Revenue Expenditure Vs Committed Revenue Expenditure

(₹ in crore)



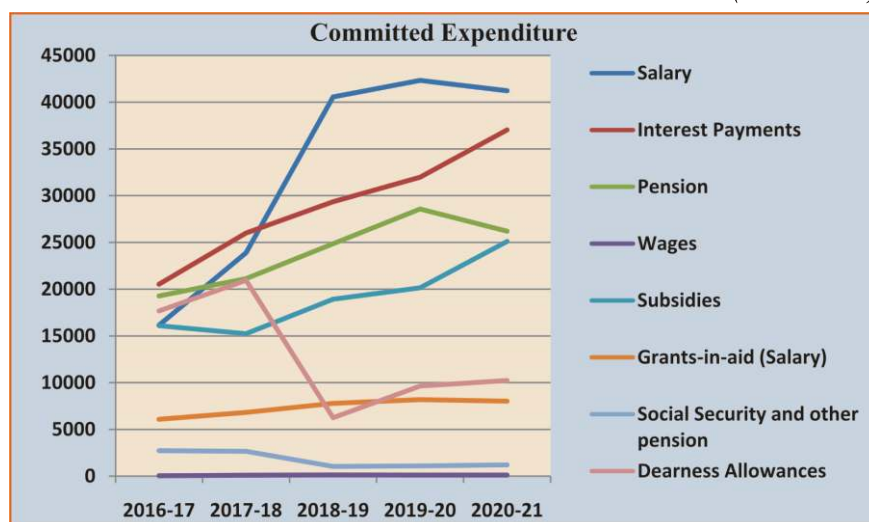
Revenue Receipts Vs Committed Revenue Exp

(₹ in crore)



3.2.2 Trend of Committed Expenditure

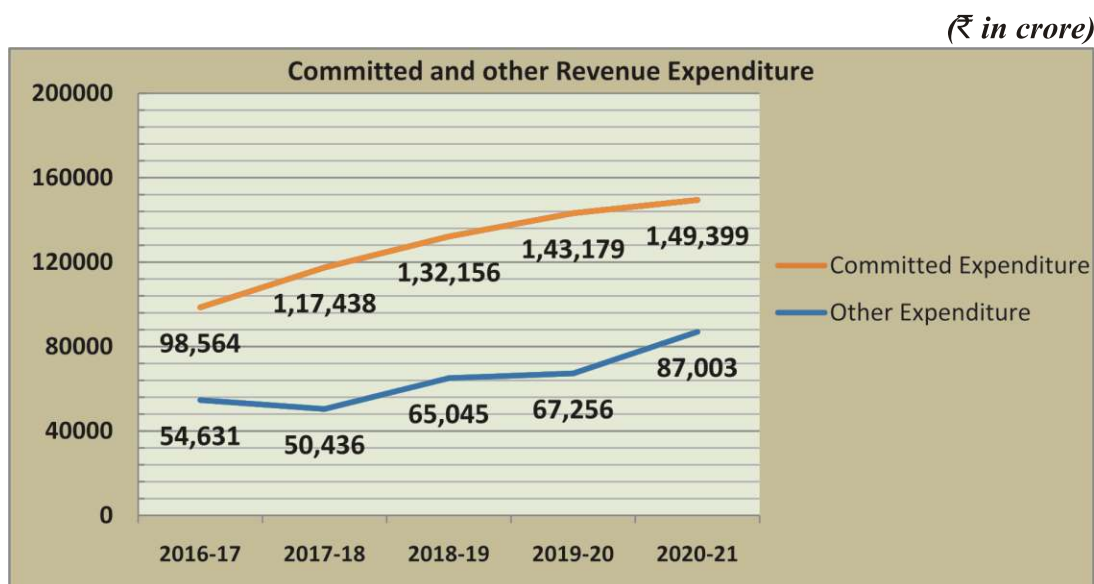
(₹ in crore)



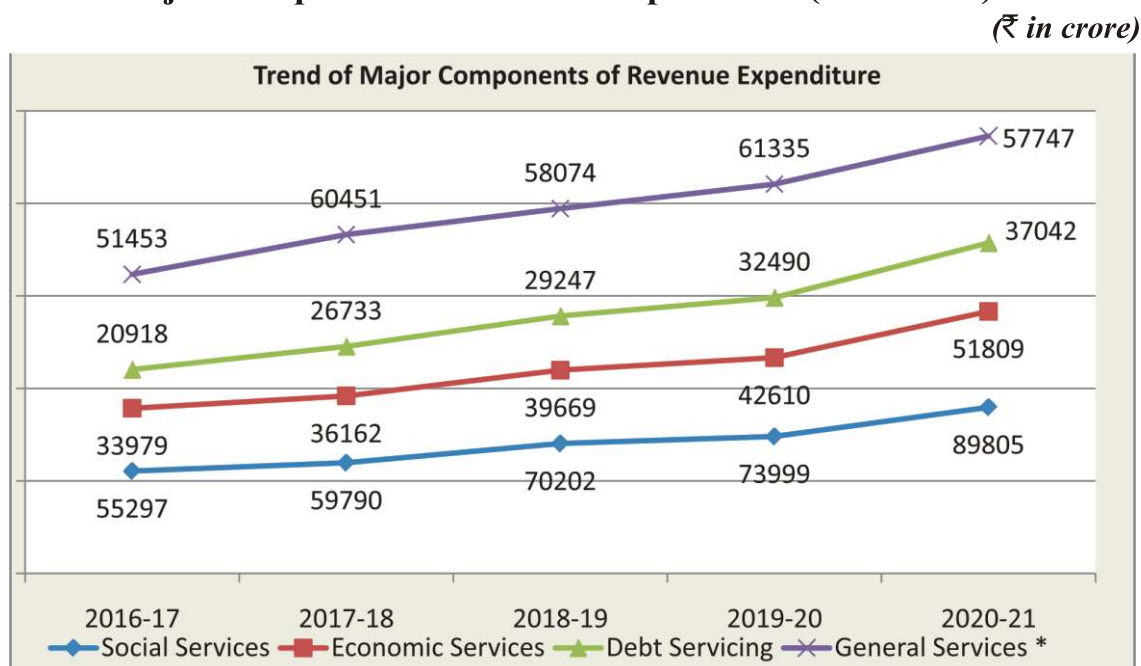
The upward trend on committed expenditure leaves the government with lesser flexibility for developmental spending.

3.2.3 Trend of Committed Revenue expenditure and Other Revenue Expenditure

The total Revenue Expenditure during 2020-21 was ₹2,36,402 crore which consists of Committed Revenue Expenditure of ₹1,49,399 crore and Other Revenue Expenditure of ₹87,003 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 (2015-2020)



* 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 Revenue Expenditure is distributed among fiscal services, Organs of State, Interest payment, Pension payment and Social, General and Economic Services. The State Government during the year 2020-21 has spent ₹1,427 crore on collection of taxes, ₹1,683 crore on Legislature, Governor's Office and Administration of Justice, ₹37,042 crore on Interest Payment and Servicing of debt, ₹11,344 crore on Administrative Services, ₹27,497 crore on Pension and Miscellaneous General Services, ₹89,805 crore on Social Services, ₹51,809 crore on Economic Services and ₹15,795 crore on Grants-in-aid and Contributions. Thus, the total sectoral distribution of Revenue Expenditure works out to ₹2,36,402 crore.

Components	Amount (₹ in crore)	Percentage
A. General Services		
a. Organs of State	1,683	0.7
b. Fiscal Services	1,427	0.6
Collection of Taxes on Property and Capital Transactions	596	0.3
Collection of Taxes on Commodities and Services	821	0.3
Other Fiscal Services	10	..
c. Interest Payments and Servicing of Debt	37,042	15.7
d. Administrative Services	11,344	4.8
e. Pensions and Miscellaneous General Services	27,497	11.6
B. Social Services	89,805	38.0
C. Economic Services	51,809	21.9
D. Grants-in-aid and Contributions	15,795	6.7
Total Expenditure (Revenue Account)	2,36,402	100.0

3.3. Capital Expenditure

Capital Disbursements of ₹36,902 crore (includes Loans and Advances disbursed ₹3,834 crore) for 2020-21, at 1.94 *per cent* of GSDP, fell short of Original Budget Estimates by ₹6,191 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 2020-21, the total sectoral distribution of Capital Expenditure was ₹36,902 crore which increased by ₹7,248 crore over the previous year.

3.3.2 Sectoral Distribution of Capital Expenditure over the past five years

(₹ in crore)

Description	2016-17	2017-18	2018-19	2019-20	2020-21
General Services	751 (1.6)	847 (3.2)	858 (2.8)	1,065 (3.6)	937 (2.5)
Social Services	6,041 (12.9)	4,731 (17.7)	6,996 (22.7)	5,860 (19.8)	10,831 (29.4)
Economic Services	13,917 (29.8)	14,625 (54.7)	16,457 (55.5)	18,707 (63.1)	21,300 (57.7)
Loans and Advances	26,047 (55.7)	6,517 (24.4)	6,478 (21.0)	4,022 (13.5)	3,834 (10.4)
Total	46,756	26,720	30,789	29,654	36,902

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 2020-21 was ₹2,11,543 crore (89.5 *per cent* of total revenue expenditure), ₹25,259 crore (76.4 *per cent* of total capital expenditure) and ₹3,834 crore (100 *per cent* total loan disbursements) under Revenue, Capital and Loans and Advances respectively. The Central Assistance during 2020-21 was ₹24,859 crore (11 *per cent* of total revenue expenditure) under 'Revenue' and ₹7,808 crore (24 *per cent* of total capital expenditure) under 'Capital' section.

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 2020-21 provided for gross expenditure of ₹3,38,972 crore and reduction of expenditure (recoveries) of ₹4,564 crore. Against this, the actual gross expenditure was ₹2,93,754 crore and reduction of expenditure was ₹4,221 crore. The actual expenditure resulted in a net saving of ₹45,219 crore (13.3 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. These accounts list the Original Budget Estimates, Supplementary Grants, Surrenders and Reappropriations and indicate the actual expenditure and excess/saving schemes authorised by the Appropriation Act and are complimentary to the Finance Accounts. 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	Net Saving	Surrender
Revenue						
Voted	2,04,581	29,365	2,33,946	2,02,916	(-)31,031	30,629
Charged	39,695	68	39,763	37,430	(-)2,333	2,197
Capital						
Voted	37,629	3,734	41,363	33,283	(-)8,080	7,451
Charged	20	46	66	62	(-)4	4
Public Debt						
Charged	16,304	..	16,304	16,229	(-)75	77
Loans and Advances						
Voted	6,725	805	7,530	3,834	(-)3,696	3,707
Appropriation to Contingency Fund						
Voted	..	..	..	..	..	..
Total	3,04,954	34,018	3,38,972	2,93,754	(-)45,219	44,065

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

(₹ in crore)

Year	Saving (-) / Excess (+)				Total
	Revenue	Capital	Public Debt	Loans and Advances	
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
2019-20	(-)13,019	(-)11,464	(-)63	(-)2,548	(-)27,094
2020-21	(-)33,363	(-)8,084	(-)75	(-)3,696	(-)45,219

4.3. Significant saving in the approved grants

The Appropriation Accounts provide explanations for excess/saving incurred under sub-heads i.e., on the schemes for each Grant, which are selected based on Public Accounts Committee norms, Tamil Nadu. The term 'Saving' 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	2016-17	2017-18	2018-19	2019-20	2020-21
01	State Legislature (Charged)	0.21	0.20	0.27	0.17	0.22
02	Governor and Council of Ministers (Revenue)	7.03	3.40	4.05	6.84	12.78
03	Administration of Justice (Charged)	78.70	27.82	52.35	71.26	65.08
04	Adi-Dravidar and Tribal Welfare Department (Capital)	196.61	143.46	75.90	42.55	103.95
05	Agriculture Department (Capital)	61.55	242.91	113.29	160.65	100.60
07	Fisheries Department (Revenue)	56.76	155.15	208.66	116.74	54.30
09	Backward Classes, Most Backward Classes & Minorities Welfare Department (Revenue)	189.91	352.63	114.75	142.35	245.67
	(Capital)	76.17	4.17	4.85	5.91	24.45
11	Stamps and Registration Department (Revenue)	78.51	27.28	40.19	36.28	69.59
13	Food and Consumer Protection (Co-operation, Food and Consumer Protection Department) (Capital)	228.76	92.27	69.50	270.72	350.99
16	Finance Department (Revenue)	207.63	265.48	319.77	461.56	127.38
	(Capital)	1970.00	2000.00	768.90	768.41	500.00
19	Health and Family Welfare Department (Revenue) (Charged)	0.80	0.87	0.85	1.24	1.45
21	Highways and Minor Ports Department (Capital)	1348.84	1743.31	1990.87	2865.26	1407.31
25	Motor Vehicles Act – Administration (Home, Prohibition and Excise Department) (Revenue)	22.05	23.17	66.62	54.65	29.08
29	Tourism, Art and Culture (Tourism, Culture and Religious Endowments Department) (Capital)	34.37	28.72	33.33	137.29	56.65

(₹ in crore)

Grant No.	Nomenclature	2016-17	2017-18	2018-19	2019-20	2020-21
34	Municipal Administration and Water Supply Department (Capital)	556.94	2941.13	1289.69	3075.70	941.97
35	Personnel and Administrative Reforms Department (Revenue)	15.15	5.76	12.08	7.03	34.80
38	Public Department (Revenue)	115.25	89.52	99.98	80.45	58.50
	(Charged)	1.16	0.13	0.08	0.88	0.36
40	Irrigation (Public works Department) (Capital)	641.73	1730.56	1336.56	1514.88	1534.52
42	Rural Development and Panchayat Raj Department (Revenue)	5649.77	3848.59	2216.10	2277.30	4473.81
44	Micro, Small and Medium Enterprises Department (Capital)	47.69	48.99	45.94	44.20	23.93

The reasons for saving are detailed grant wise in the Appropriation Accounts. Persistent saving indicates 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 saving at the end of the year against original allocations, the details of which are given below:

(₹ in crore)

Grant	Nomenclature	Original Estimate	Supplementary Estimate	Actual Expenditure	% of Saving
05	Agriculture Department	90.86	..	86.57	4.72
16	Finance Department	35.18	..	29.38	16.49
20	Higher Education Department	170.70	12.00	87.52	48.73
21	Highways and Minor Ports Department	156.84	..	63.65	59.42
22	Police (Home, Prohibition and Excise Department)	3,680.64	..	3,455.53	6.12
28	Information and Publicity (Tamil Development and Information Department)	26.18	5.19	24.37	6.91
41	Revenue and Disaster Management Department	166.90	..	136.56	18.18
45	Social Welfare and Nutritious Meal Programme Department	73.12	..	68.51	6.30

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 No.	Head	Total Grant (Reappropriation)	Actual expenditure	Excess (+) Saving(-)
05	2402.00.789. JD	5,31.53	5,31.50	(-)0.03
07	2405.00.121. AA	2.50	2.50	..
19	4210.01.800. JH	6.29	6.28	(-)0.01
19	4210.03.200. JA	11.78	11.77	(-)0.01
21	5054.01.337. JC	7.68	7.68	..
24	2056.00.001. AC	5.82	5.81	(-)0.01
39	4059.01.051. LA	8.13	8.13	..
39	4210.01.051. SB	0.50	0.50	..
40	4700.05.800. AA(C)	19.05	19.03	(-)0.02
40	4702.00.800. PA	4.50	4.49	(-)0.01
40	4711.01.103. KU	4.13	4.13	..
40	4711.01.103. KZ	1.92	1.92	..
54	4406.01.101. JF	2.00	2.00	..
54	4415.06.793. UA	1.95	1.95	..
Public Debt Repayment	6004.09.109. AU(C)	43,28.47	43,28.46	(-)0.01

4.5. Expenditure without budget provision/reappropriation

In respect of the heads mentioned below, expenditure was incurred without provision/reappropriation or after withdrawal of provision through reappropriation which led to unauthorized expenditure.

(₹ in lakh)

Grant No.	Head of Account	Expenditure
04	2225.01.277. KQ	0.74
04	2225.02.277. KD	6.60
04	2225.02.277. KE	0.06
05	2401.00.793. SH	0.16
09	2225.03.277. KE	0.06
09	2235.60.200. AJ	13.33
29	2205.00.101. AQ	1.76
38	2070.00.800. AS	3.27
38	2235.60.200. CS	0.22
40	2701.03.181. AA	0.10
40	2701.80.800. AL	3.14
40	4701.03.800. PB	4.00
41	2053.00.094. FW	2.54
41	4070.00.800. AY	28.18
43	2202.02.800. AM	0.07
47	2250.00.103. AA (C)	3,00.00
50	2071.01.101. AQ	11.60
51	2245.01.101. AB	0.85
51	2245.01.101. AD	6.86
51	2245.01.101. AF	3.39
51	2245.01.102. AI	0.05
51	2245.02.101. AG	0.08
51	2245.02.107. AA	36.68
51	2245.02.113. AA	0.59
51	2245.80.800. AG	54.46
52	2235.02.101. NM	18.00
Debt Charges	2049.60.101. ER. (C)	6.08

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 (PSU's) stood at ₹41,578 crore at the end of 2020-21. Dividends received during the year as per accounts was ₹205 crore (0.49 *per cent*) on Investments. During 2020-21, Investments increased by ₹1,712 crore (net) and income from Dividend increased by ₹13 crore. The major investment was made in Tamil Nadu Power Finance and Infrastructure Development Corporation Limited (₹837 crore).

(₹ in crore)

Nature	2016-17	2017-18	2018-19	2019-20	2020-21
Investments	29,811	33,579	36,480	39,866	41,578
Dividends	185	159	156	192	205
Returns in percentage	0.62	0.47	0.43	0.48	0.49

5.1.2. Cash Balance and investment of Cash Balances

Cash Balance with RBI stood at ₹940 crore on 1 April 2020 and decreased to ₹(-)450 crore at the end of 31 March 2021. The cash balance investment in Treasury Bills decreased from ₹10,142 crore on 1 April 2020 to ₹5,622 crore as on 31 March 2021. The interest realised on Cash Balance Investments made during the year was ₹215 crore.

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

Cash Balances and Investments

(₹ in crore)

Component	As on 1 April 2020	As on 31 March 2021	Net increase(+)/ decrease(-)
Cash Balances*	940	(-)450	(-)1390
Investments from cash balance (GOI Treasury Bills)	10,142	5,622	(-)4520
Other cash balances	12	12	..
(a) Departmental Balances	4	4	..
(b) Permanent Cash imprest **	8	8	..
Investment from earmarked fund balances	38,334	49,889	(+)11,555
(a) Guarantee Redemption Fund	640	769	(+)129
(b) Other Funds	37,694	49,120	(+) 11,426
Interest realized***	301	215	(-)86

* The minus balance on 31 March 2021 denotes excess of expenditure over the receipts due to non-reporting of receipts by the Banks to the Treasuries.

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

*** It includes interest on investments out of Guarantee Redemption Fund (₹28.21 crore) .

5.1.3. Loans and Advances made by the State Government

Total loans and advances made by the State Government during 2020-21 was ₹3,834 crore.

(₹ in crore)

Sector-wise services/loanees	2020-21
Social Sector	1,586
Economic Sector	2,039
Loans to Government Servants	209

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

(₹ in crore)

Sector	Balance as on 1 April 2020	Disbursements during the year	Repayments during the year	Loans and advances written off	Balance as on 31 March 2021	Net increase (+) / Decrease(-) during the year
Social	11,721	1,586	167	..	13,141	(+)1,419
Economic	27,605	2039	4,825	..	24,819	(-)2,786
Government servants	1,267	209	251	..	1,225	(-)42
Miscellaneous	(-)597	..	2	..	(-)599	(-)2
Total	39,997	3,834	5,245	..	38,586	(+)1,411

5.1.5. Significant disbursement of Loans and Advances by State Government

As on 31 March 2021 a sum of ₹38,586 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 (₹1000 crore) and Loans to Tamil Nadu Urban Development Fund (₹283 crore)	1,583
Co-operation	Loans to Co-operatives under Integrated Co-operative Development Programme – Controlled by the Registrar of Co-operative Societies	388
Power Projects	Tamil Nadu Transmission System Improvement Project with Loan assistance from JICA 01-Loans to TANTRANSCO and TANGEDCO	711
Consumer Industries	Soft loans to Industrial units under structured assistance package controlled by Industries Commissioner and Director of Industries and Commerce	301
Road Transport	Short term loan for State Road Transport Undertakings	526

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

During 2020-21 ₹5,245 crore has been received towards repayment of loans and advances.

(₹ in crore)

Sector-wise services /loanees	2020-21
Social Sector	167
Economic Sector	4,825
Repayment by Government Servants	251
Miscellaneous	2

The major repayments received were from TANGEDCO (₹4,563 crore), Government servants (₹251 crore) and Urban Development (₹52 crore). Effective steps to recover the outstanding loans (₹38,586 crore) would help the Government's fiscal position.

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.

The outstanding debt for 2020-21 (₹5,12,554.88 crore) was 26.94 *per cent* of GSDP. This debt does not include ₹6,241.00 crore which was passed on as back to back loans by Government of India in lieu of shortfall in GST Compensation, vide GoI's letter No. F.No.40(1)/2021-22, dated 10.12.2021.

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
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
2019-20	3,70,550	20.1	53,193	2.8	4,23,743	22.9
2020-21	4,57,188	24.0	61,608	3.2	5,18,796	27.3

* Taken as net of balances.

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

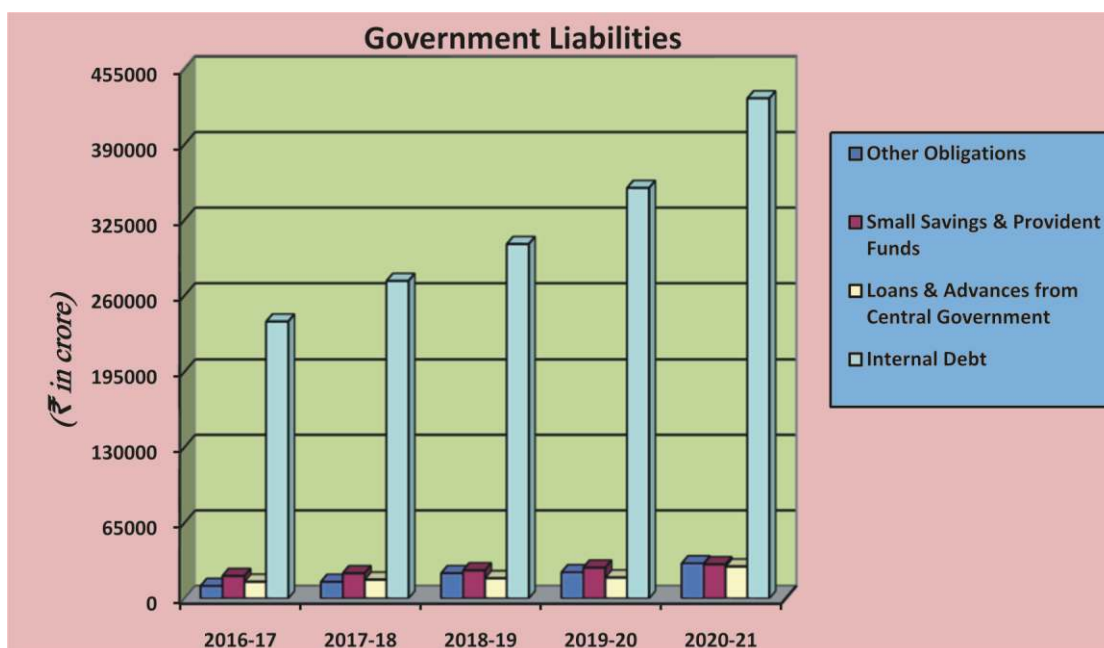
5.3. Government Liabilities:

The Liabilities of the Government comprise repayments of the market loans raised by it (Internal Debt) and 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 are noted below to show the increasing trend of components of the total Government liabilities shown under Para 5.2

Trends of outstanding Fiscal Liabilities

(₹ in crore)

Liabilities	2016-17	2017-18	2018-19	2019-20	2020-21
Internal Debt	2,37,701	2,72,634	3,04,350	3,52,625	4,29,748
Loans and Advances from Central Government	14,338	16,135	17,292	17,925	27,440
Small Savings and Provident Funds	19,325	21,660	24,110	26,475	29,352
Reserve Funds	1,342	1,877	1,330	2,158	2,144
Deposits and Advances	10,688	14,212	21,654	24,560	30,111



Public debt and other liabilities of the Government increased from 22.9 *per cent* of GSDP at the end of 2019-20 to 27.3 *per cent* of GSDP at the end of 2020-21. This was not 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 Governments 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 2021 was ₹769 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 the year
2016-17	9,128	29,145
2017-18	15,517	36,131
2018-19	83,140	43,661
2019-20	4,667	47,319
2020-21	4,465	65,659

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

During 2020-21, the State Government received an amount of ₹92 crore as Guarantee Fee. The receipt is accounted for under the major head “0075-Miscellaneous General Services”. Out of total balance of ₹821 crore in the Guarantee Redemption Fund, ₹769 crore was invested in Treasury Bills.

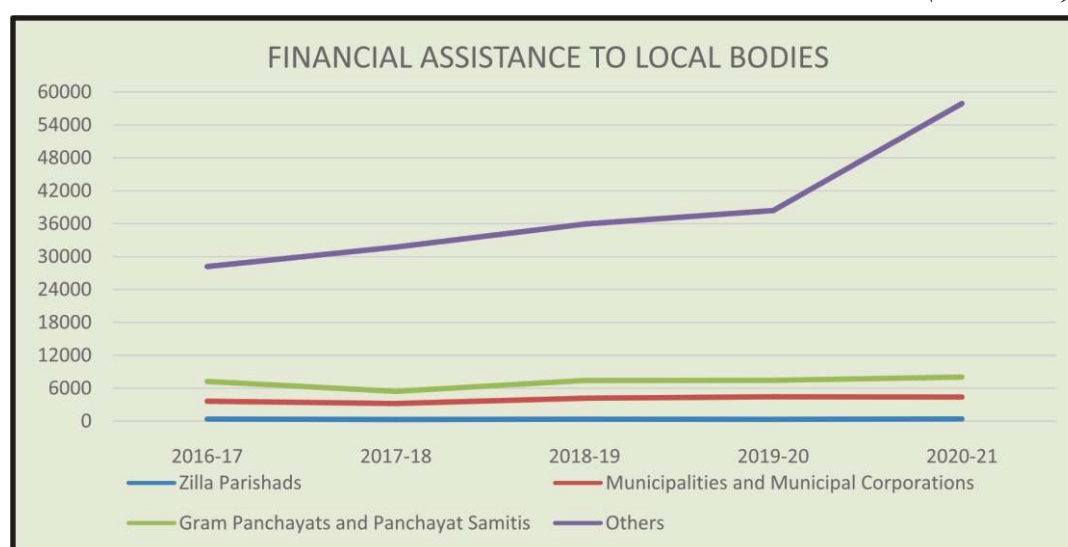
6.1 Financial Assistance To Local Bodies and Others

During the past five years, Grants-in-aid to local bodies etc., increased from ₹39,397 crore in 2016-17 to ₹70,679 crore in 2020-21. The grants to Zilla Parishads, Panchayat Samitis and Municipalities/Municipal Corporation (₹12,795 crore) represented 18.1 *per cent* of total grants given during the year. The Financial assistance to others (₹57,884 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	2016-17	2017-18	2018-19	2019-20	2020-21
Zilla Parishads	377	285	337	323	388
Municipalities and Municipal Corporations	3,617	3,210	4,161	4,447	4,370
Gram Panchayats and Panchayat Samitis	7,222	5,416	7,394	7,433	8,037
Others	28,181	31,720	35,934	38,401	57,884
Total	39,397	40,631	47,826	50,604	70,679

(₹ in crore)



6.2. Goods and Service Tax

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

Goods and Services Tax: Goods and Services Tax (GST) was introduced with effect from 1 July 2017. During the year 2020-21, the State GST collection was ₹37,942.1 crore compared to ₹38,376.2 crore in 2019-20, registering a decrease of ₹434.1 crore (1.1 *per cent*). This includes Advance Apportionment of IGST amounting to ₹2,826.3 crore. In addition, the State received ₹7,406.6 crore as its share of net proceeds assigned to the State under Central Goods and Services Tax. The total receipts under GST were ₹45,348.7 crore. The State received compensation of ₹10,602.8 crore on account of loss of revenue arising out of implementation of GST during 2020-21.

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

In terms of guidelines on constitution and administration of the State Disaster Response Fund (under Major Head-'8121 General & Other Reserve Funds' which is under interest bearing section), the Central and State Governments are required to contribute to the fund in the proportion of 75 and 25 *per cent* respectively. During the year 2020-21, the State Government received ₹1,020.0 crore as Central Government's share. The State Government's share during the year is ₹340.0 crore. The State Government transferred ₹1,360.0 crore, (Central share ₹1,020.0 crore, State share ₹340.0 crore) to the Fund under Major Head '8121-122 SDRF'. The State received ₹286.9 crore from the Central Government towards NDRF. The contributions to the Fund, expenditure and the balance therein are as under:

Opening balance as on (01-April - 2020)	Contribution by Centre	State Share	Receipts under NDRF	Total Receipts during the year	Amount set off (MH 2245-05)	Balance in the Fund	Invested by RBI/State Government during the year
Nil	1,020.0	340.0	286.9*	1,360.0	1,360.0	Nil	Nil

*The amount has not been transferred to the Fund by the State Government during the year.

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

(i) National Pension System:

The State Government employees recruited on or after 1 April 2003 are covered under the National Pension System (NPS) which is a Defined Contribution Pension Scheme. In terms of the Scheme, the employee contributes 10 *per cent* of his/her basic pay and dearness allowance, and 10 *per cent* of basic pay and dearness allowance is contributed by the State Government (in respect of AIS employees the Government contribution is at 14 *per cent*). The recoveries made from the salary of the employees and the matching share of the Government and interest thereon are credited under the head of Account “8342-117-Defined Contribution Pension Scheme”. As per the provisions of DCPS (GO No.430 of Govt. of Tamil Nadu dated 6th August 2004), the total accumulation of the fund (including interest, if any) needs to be transferred to the Third Party Fund Manager, Pension Fund Regulatory and Development Authority (PFRDA) or any other agency authorized by PFRDA. However, even after lapse of 17 years, the State Government has not transferred fund accumulation of DCPS of State Government Employees (other than AIS) to the PFRDA; instead, the State Government has invested the amount in Auction Treasury Bill.

During the year 2020-21, the employee Contribution to Defined Contribution Pension Scheme Fund was ₹2,713.6 crore (Non-AIS) and ₹2.2 crore (AIS) (inclusive of the contributions by the officials on foreign services and the contribution by foreign employers) and ₹3.5 crore (AIS Employee Contribution Tier II). The Government matching contribution was ₹2,715.1 crore (Non-AIS) and ₹7.1 crore (AIS). The total amount transferred to DCPS Fund was ₹8,174.5 crore. The amount ₹8,174.5 crore includes interest amounting to ₹2,733.1 crore calculated on the DCPS accumulations as on 31.03.2020 (₹36,809.9 crore) at rate of interest allowed to GPF (order GO.Ms. No.394 and 51).

The State Government has started to invest the DCPS accumulation in LIC from 2019-20 onwards. The total accumulation in the fund was ₹44,641.1 crore as on 31 March, 2021. Out of that, ₹25,510.0 crore (₹2,350.0 crore during the year) has been invested in LIC and interest of ₹1,630.5 crore earned through investment in LIC has been re-invested in LIC. The Government earned interest of ₹376.3 crore through investment of DCPS Fund in Treasury Bills. Interest of ₹376.3 crore which was to be transferred to DCPS fund was credited in the Consolidated Fund under Major Head '0049-Interest Receipts'. Non-credit of interest to the fund has resulted in under statement of Revenue Deficit and Fiscal Deficit.

During the year 2020-21, ₹6.2 crore pertaining to All India Service Employees was transferred to NSDL/Trustee Bank.

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

As per the instructions given in Chapter 16 of Manual Standing Orders (Accounts and Entitlements), Utilization 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 up to March of the previous financial year. To the extent of non-submission of UCs, there is no assurance that the amount shown in Finance Accounts had reached the beneficiaries and thus the expenditure cannot be vouched as correct or final.

During the year 2020-21, ₹29.0 crore pertaining to outstanding UCs for the period upto December 2019 was cleared. The position of outstanding UCs as on 31 March 2021 is given below:

Year*	Number of UCs Outstanding	Amount (₹ in crore)
Upto 2018-19	5	38.3
2019-20	10	97.1
2020-21	17	38.5
Total	32	173.9

* The year mentioned above relates to “Due year” i.e. after 15 months of actual drawal.

Major defaulting departments that had not submitted UCs are Town and Country Planning Department (₹59.3 crore, 34.1 *per cent*), Municipal Administration Department (₹21.2 crore, 12.2 *per cent*), Employment and Training Department, (₹20.0 crore, 11.5 *per cent*), Industries and Commerce Department (₹19.3 crore, 11.1 *per cent*) and Rural Development and Panchayat Raj Department (₹17.1 crore, 9.8 *per cent*).

6.6 Outstanding Temporary Advances

Financial rules envisage that no moneys should be drawn from Government treasury unless it is required for immediate disbursement.

The Government of Tamil Nadu does not follow the system of drawal of Abstract Contingency (AC) bills in emergent situations followed by submission of Detailed Contingency (DC) bills, as is the practice in other States. Instead, the Drawing and Disbursing Officers (DDOs) have been empowered to draw Temporary Advances (TAs) under Article 99 of Tamil Nadu Financial Code Volume I. Accordingly, it is 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 report to the Accountant General every quarter regarding the outstanding Temporary Advances. Delayed submission or prolonged non-submission of supporting adjustment bills renders the expenditure under TA opaque. Further, to the extent of non-receipt of adjustment bills, the expenditure shown in the Finance Accounts could not be vouched as correct or final.

Out of 1497 Temporary Advances amounting to ₹318.7 crore drawn during the year 2020-21, 1201 TA bills amounting to ₹269.4 crore (84.53 *per cent*) were drawn in March 2021. Details for 2076 TA bills amounting to ₹612.3 crore as on 31 March 2021 were not received. Details of unadjusted Temporary Advances as on 31 March 2021 pending submission of adjustment bills are given below:

Year	Number of Pending TAs	Amount (₹ in crore)
Upto 2018-19	119	185.1
2019-20	460	108.4
2020-21	1497	318.7
Total	2076	612.2

The major defaulting departments that had not submitted TA bills are Social Welfare and Nutrition Department (₹297.7 crore), Social Welfare Department (₹89.2 crore), Education Department (₹36.2 crore), Revenue Department (₹24.4 crore) and Police Department (₹21.9 crore).

6.7. State Compensatory Afforestation Fund (SCAF)

In compliance with the instructions issued by the Ministry of Environment and Forests, Government of India's vide their letter No. 5-1/2009-FC dated 28 April, 2009 and Guidelines of 2 July 2009, the State Governments are required to establish the State Compensatory Afforestation Fund for amounts received from user agencies and utilization of monies collected for undertaking Compensatory Afforestation, assisted natural regeneration, conservation and protection of forests, infrastructure development, wildlife conservation and protection and other related activities and for matters connected therewith or incidental thereto.

The monies received by the State Governments from the user agencies need to be credited in 'State Compensatory Afforestation Deposits' under interest bearing section in Public Account of the State at Minor head level below the Major Head '8336-Civil Deposits'. As per Section 3 (4) of the Compensatory Afforestation Fund Act, 2016, 90 *per cent* of the fund needs to be transferred to the Major Head '8121-General and Other Reserve Funds' in Public Account of State and balance 10 *per cent* to be credited into the National Fund on yearly basis provided that the credit of 10 *per cent* Central share of funds should be ensured on monthly basis so that the same is transferred to the National Fund.

The applicable rate of interest on balances available under 'State Compensatory Afforestation Deposits' under '8336-Civil Deposits' and 'State Compensatory Afforestation Fund' under '8121- General and other Reserve Funds' will be as per the rate declared by the Central Government on year to year basis.

During 2020-21, the State Government received no amount from the user agencies and National Compensatory Afforestation Fund. The total balance in the Fund as on 31 March 2021 was ₹113.4 crore. The details are available in Statement 21 of Finance Accounts.

**© COMPTROLLER AND
AUDITOR GENERAL OF INDIA
2021
www.cag.gov.in**

www.agae.tn.nic.in