

ACCOUNTS AT A GLANCE 2019-20





GOVERNMENT OF TAMIL NADU







ACCOUNTS AT A GLANCE FOR THE YEAR 2019-20

GOVERNMENT OF TAMIL NADU

PREFACE

This is the twenty second 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 : 08.09.2021

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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.

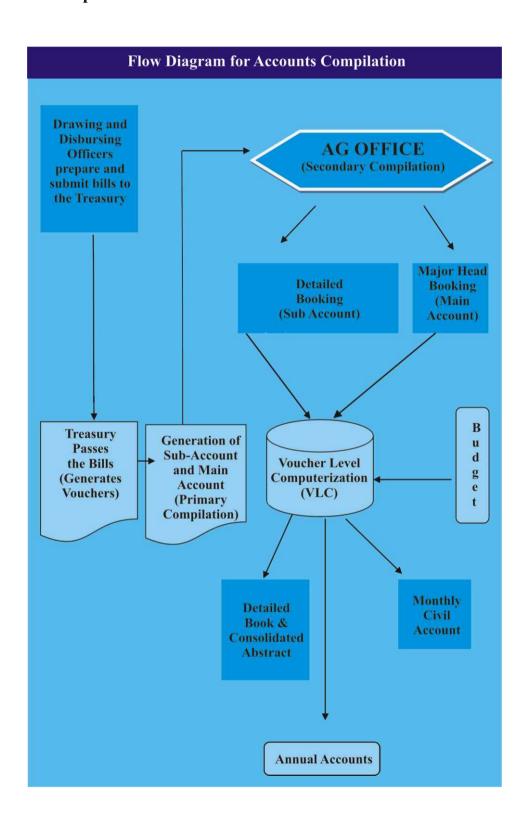
Following such monthly compilation, the Accountant General (A&E) prepares the Finance Accounts and Appropriation Accounts annually, which are placed before the State Legislature after audit by the Principal Accountant General (Audit-I) Tamil Nadu and certification by the Comptroller and Auditor General 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 2019-20 are given below:-

1.3.2 Receipts and Disbursements

	Revenue (Total:	Tax Revenue	1,33,855
	₹1,74,526)	Non-tax Revenue	12,888
Receipts	(1+2+3)	Grants-in-aid	27,783
(Total:₹2,40,089)		Misc. Capital Receipts	NIL
	Capital (Total:₹65,563)	Recovery of Loans and Advances	5,384
(1+2+3)	(1+2+3)	Borrowings and other Liabilities*	60,179
Disbursements	Revenue		2,10,435
(Total:₹2,40,089)	Capital		25,632
	Loans and Advances		4,022

^{*}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 2019-20, ₹15,113 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 2019-20, were made to MGNREGA (₹4,599 crore), Tamil Nadu Civil Supplies Corporation Limited (₹2,345 crore) and MFL & SPIC (₹2,299 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, 2019-20 provided for gross expenditure of $\mathbb{Z}_{2,88,353}$ crore and reduction of expenditure (recoveries) of $\mathbb{Z}_{3,945}$ crore. Against this, the actual gross expenditure was $\mathbb{Z}_{2,61,260}$ crore and the reduction of total expenditure was $\mathbb{Z}_{3,305}$ 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 2019-20, the Government of Tamil Nadu did not resort to OD facilities and WMA.

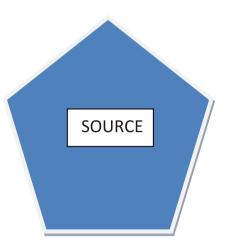
1.4.2 Funds Flow Statement

The State had a revenue deficit of ₹35,909 crore which represents 1.95 per cent of GSDP*. The fiscal deficit of ₹60,179 crore accounted for 3.26 per cent of the GSDP and 25.07 per cent of total expenditure. The fiscal deficit was met from Public Debt (₹66,774 crore) and net increase in Public Account (₹12,644 crore)

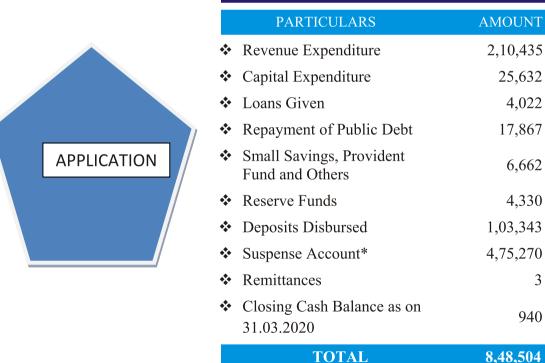
Around 82.04 *per cent* of the revenue receipts (₹1,74,526 crore) of the State Government was spent on committed expenditure (₹1,43,179 crore) like salaries (₹4,23.25 crore), interest payments (₹31,980 crore), pensions (₹28,577 crore), subsidies (₹20,144 crore), salary grants (₹8,190 crore), social security and other pension (₹1,100 crore), wages (₹110crore) and Compensation and Assignment to Local Bodies and Panchayati Raj Institutions (₹1,114 crore) and Dearness Allowances (₹9,639 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 2019-2020, ₹18,45,853 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



	PARTICULARS	AMOUNT
*	Opening Cash Balance as on 01.04.2019 ^{\$}	(-)443
*	Revenue Receipts	1,74,526
*	Capital Receipts	Nil
*	Recovery of Loans and Advances	5,384
*	Public Debt	66,774
*	Small Savings, Provident Fund and Others	9,028
*	Reserve Funds	5,158
*	Deposits Received	1,06,248
*	Contingency Fund	10
*	Suspense Account*	4 81 819
	TOTAL	8,48,504

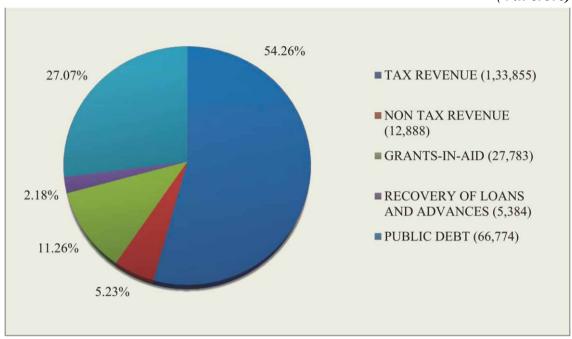


^{*} The suspense account includes ₹2,80,437 crore invested in treasury bills which is shown on the "Application" side, and ₹2,81,303 crore worth of treasury bills sold through the RBI (a process known as "re-discounting") which is shown on the "Sources" side.

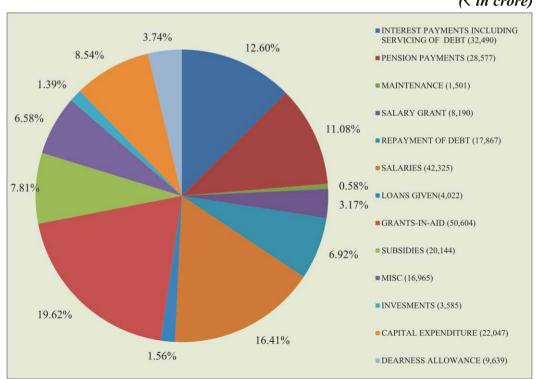
^{\$} The minus balance denotes excess of expenditure over the receipts due to non-reporting of e-receipts by agency banks to PAO (East).

1.4.4 Where the Rupee came from:

(₹ in crore)



1.4.5 Where the Rupee went:



1.4.6 Total Receipts and Expenditure

Sl. No.	Components	Budget Estimates (B.E) 2019-20	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP [@]
					(₹ in crore)
1.	Tax Revenue*	1,58,791	1,33,855	84.3	7.3
2.	Non-Tax Revenue	13,327	12,888	96.7	0.7
3.	Grants-in-aid and Contributions	25,603	27,783	108.5	1.5
4.	Revenue Receipts (1+2+3)	1,97,721	1,74,526	88.3	9.5
5.	Receipts on Capital Account				
6.	Recoveries of Loans and Advances	5,067	5,384	106.3	0.3
7.	Net Borrowings and Other Liabilities	44,176	60,179	136.2	3.3
8.	Total Capital Receipts (5+6+7)	49,243	65,563	133.1	3.6
9.	Total Receipts (4+8)	2,46,964	2,40,089	97.2	13.0
10.	Expenditure on Revenue Account	2,12,036	2,10,435	99.2	11.4
11.	Expenditure on Capital Account	31,251	25,632	82.0	1.4
12.	Loans and Advances	3,677	4,022\$\$	109.4	0.2
13.	Total Expenditure (10+11+12)	2,46,964	2,40,089	97.2	13.0
14.	Revenue Deficit (-)/ Surplus (+) ** (4-10)	(-)14,315	(-)35,909		
15.	Fiscal Deficit** [13-(4+5+6)] = 7	(-)44,176	(-)60,179		

[@] 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 ₹18,45,853 crore.

^{*} Includes share of net proceeds assigned to State (₹26,393 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 advance disbursed) over the revenue receipts, recoveries of loans and advances and other receipts.

^{\$\$} Includes ₹2.67 crore relating to capitalization of interest dues treated as fresh loans through book adjustments.

1.4.7 What do the Deficits and Surplus indicate?

Deficit

 Refers to the gap between Receipt and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence of Financial Management.

Revenue Deficit/ Surplus

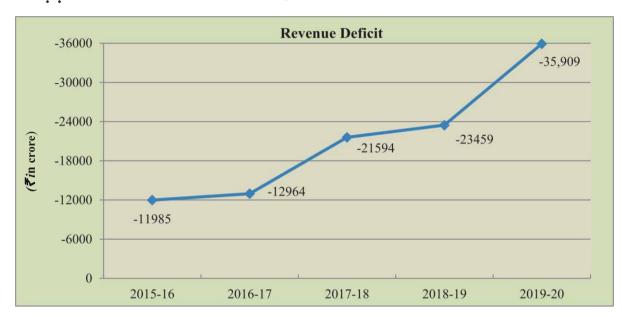
 Refers to the gap between Revenue Receipt and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.

Fiscal Deficit/ Surplus

 Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the borrowings should be invested in capital projects.

1.4.8 Revenue Deficit/Surplus

There is a Revenue Deficit trend from 2013-14 onwards. The Revenue Deficit during 2019-20 has increased from ₹23,459 crore (2018-19) to₹35,909 crore, registering an increase of 53.07 *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 31March 2019 and adhere to it thereafter.

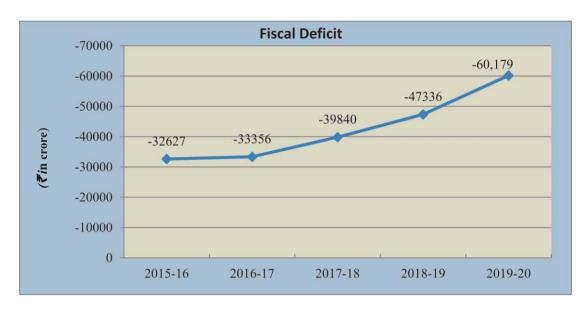
The Fiscal Deficit of the State during the year increased from ₹47,336 crore (2018-19) to ₹60,179 crore. This constituted 3.26 per cent of GSDP.

Fiscal deficit compared to GSDP and trend of fiscal deficit for the years from 2015-16 to 2019-20 is indicated below.

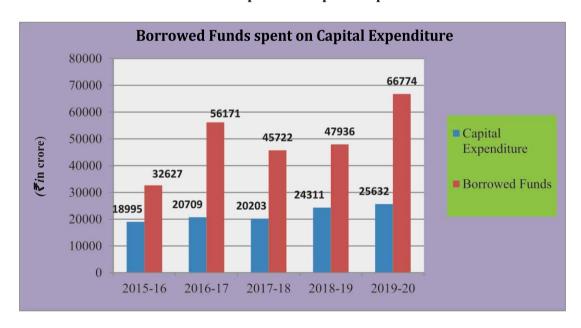
Fiscal Deficit compared to GSDP

Year	Percentage of Fiscal Deficit to	Increase/Decrease
	GSDP	
2015-16	2.69	(-) 0.09
2016-17	2.56	(-) 0.13
2017-18	2.79	(+) 0.23
2018-19	2.84	(+) 0.05
2019-20	3.26	(+)0.42

Trend of Fiscal Deficit



1.4.11 Trend of borrowed funds spent on Capital Expenditure

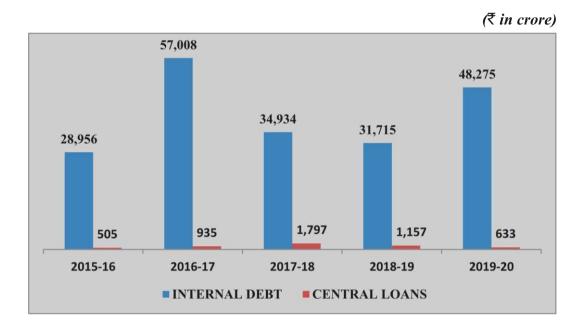


It is prudent to fully utilize borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest thereon. However, the State Government had spent less expenditure on Capital account (₹25,632 crore) out of the borrowings of current year (₹66,774 crore) and remaining borrowings of (₹41,142) crore were mainly utilized to disburse loans and advances(₹4,022 crore),repayment of Public Debt (₹17,867 crore) and other revenue expenditure (₹19,253 crore).

1.4.12 Trend of Public Debt

In 2019-20, loans totaling ₹62,425 crore were raised at par at interest rates varying from 6.50 *per cent* to 8.16 *per cent*. Out of these loans, 2 loans in 2023, 4 loans in 2024, 4 loans in 2025, 2 loans in 2026, 4 loans in 2027, 3 loans in 2028, 8 loans in 2029 will redeem.

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 2019-20 were ₹2,40,089 crore.

2.2. Revenue Receipts

There Daniel	
Tax Reveni	10

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

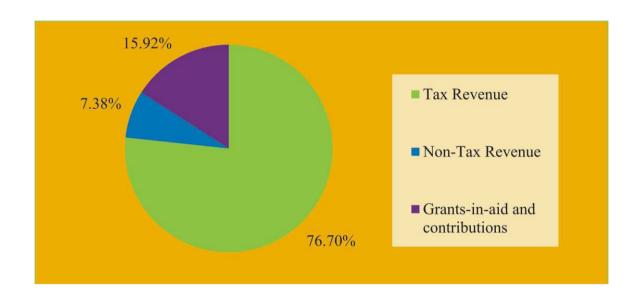
Essentially, a form of Central Assistance to the State Government from the Union Government includes 'External Grant Assistance' received from Foreign Governments and channelized through the Union Government. In turn, the State Government also gives Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous Bodies etc.

2.2.1. Components of Revenue Receipts (2019-20)

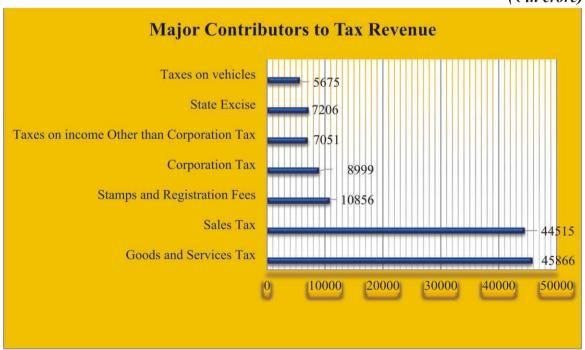
Components	Actuals	Percentage to Total Revenue Receipt
A. Tax Revenue *	1,33,855	76.70
Goods and Service Tax (GST)	45,866	26.28
Taxes on Income and Expenditure	16,050	9.20
Taxes on Property and Capital Transactions	11,123	6.37
Taxes on Commodities and Services Other than GST	60,816	34.85
B. Non-Tax Revenue	12,888	7.38
Interest Receipts, Dividends and Profits	4,548	2.61
General Services	1,700	0.97
Social Services	4,999	2.86
Economic Services	1,641	0.94
C. Grants-in-aid and Contributions	27,783	15.92
Total- Revenue Receipts (A+B+C)	1,74,526	100.00

^{*}Includes share of net proceeds assigned (₹26,393) crore to State received from the Government of India.

2.2.1.a.Components of Revenue Receipt



2.2.2.Major contributors to Tax Revenue



2.2.3 Net Tax Revenue - Comparison between Budget estimates and Actuals

During the year, the Budget Estimates for Tax Revenue was ₹1,58,791 crore and the Actuals was ₹1,33,855 crore. The Net Tax Revenue was less than Budget Estimates by ₹24,936 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 on Duties and Electricity	1,364	574	57.92	
Taxes on Income other than Corporation Tax	9,245	7,051	23.73	
Corporation Tax	11,004	8,999	18.22	
Stamps and Registration Fees	13,123	10,856	17.28	
Taxes on Vehicles	6,511	5,675	12.84	
Union Excise Duties	1,311	1,163	11.29	
Taxes on Sales, Trade, etc	48,034	44,515	7.33	

2.3. Trend of Receipts

During the year, the GSDP increased by 10.92 *per cent* and growth in total revenue collection was 0.45 *per cent* in comparison to previous year. The Tax Revenue decreased by 1.70 *per cent*, Non Tax Revenue decreased by 9.24 per cent and Grants-in-aid increased by 18.89 *per cent* respectively in comparison to previous year.

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Tax Revenue	1,00,830	1,10,479	1,20,836	1,36,173	1,33,855
	(8.7)	(8.5)	(8.5)	(8.2)	(7.3)
Non-Tax	8,918	9,914	10,764	14,200	12,888
Revenue	(0.8)	(0.8)	(0.8)	(0.9)	(0.7)
Grants-in-aid	19,260	19,838	14,680	23,368	27,783
	(1.6)	(1.5)	(1.0)	(1.4)	(1.5)
Total Revenue	1,29,008	1,40,231	1,46,280	1,73,741	1,74,526
Receipts	(11.1)	(10.8)	(10.3)	(10.4)	(9.5)
GSDP	11,61,963	12,98,511	14,27,074	16,64,159	18,45,853

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	2015-16	2016-17	2017-18	2018-19	2019-20
Goods and Services Tax	•••		27,708 (1.9)	46,698 (2.8)	45,866 (2.5)
Taxes on	10,783	13,327	15,305	18,577	16,050
Income and Expenditure	(0.9)	(1.0)	(1.1)	(1.1)	(0.9)
Taxes on Property and	8,989	7,418	9,355	11,259	11,123
Capital Transactions	(0.8)	(0.6)	(0.7)	(0.7)	(0.6)
Taxes on	81,058	89,734	68,468	59,659	60,816
Commodities and Services	(7.0)	(6.9)	(4.8)	(3.6)	(3.3)
Total Tax	1,00,830	1,10,479	1,20,836	1,36,173	1,33,855
Revenue	(8.7)	(8.5)	(8.5)	(8.2)	(7.3)
GSDP	11,61,963	12,98,511	14,27,074	16,64,159	18,45,853

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 2015-16 to 2019-20 is 32.75 *per cent*. However, the State's own Tax Revenue collection with reference to GSDP showed decreasing trend from 6.9 *per cent* in 2015-16 to 5.8 *per cent* in 2019-20.

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	State's Own Tax Revenue as Percentage to GSDP
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
2019-20	1,33,855	26,393	1,07,462	5.8

2.4.1. Efficiency of Tax Collection

Taxes on commodities and services form a major chunk of tax revenue. Tax collection efficiency in respect of both taxes on commodities and services and Taxes on Property and Capital Transactions have marginally decreased during 2019-20.

A. Taxes on Property and Capital Transactions

Description	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Collection	8,989	7,418	9,355	11,259	11,123
Expenditure on Collection	452	413	480	522	587
Efficiency of Tax Collection (in per cent)	5.0	5.6	5.1	4.6	5.3

B. Taxes on Commodities and Services

(₹ in crore)

Description	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Collection	81,058	89,734	68,468	59,659	60,816
Expenditure on Collection	479	552	615	705	845
Efficiency of Tax Collection (in per cent)	0.6	0.6	0.9	1.2	1.4

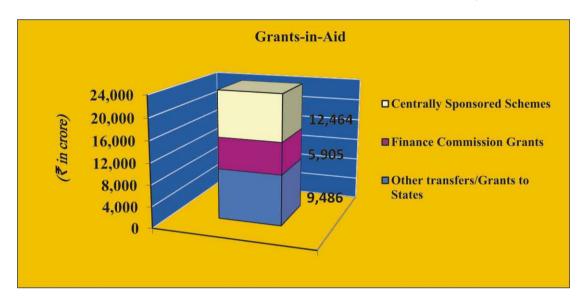
2.5. Trend in State's Share of Union Taxes during the past five years

The State share of Union Taxes to the Total Tax Revenue has marginally decreased from 22.50 *per cent* during 2018-19 to 19.72 *per cent* during 2019-20.

Major Head description	2015-16	2016-17	2017-18	2018-19	2019-20
Goods and Services Tax (CGST+IGST)			3,118.00	8,165.00	7,489.00
Other taxes on income and expenditure	144	*	**	55.00	
Corporation Tax	6,380.00	7,863,00	8,298.00	10,655.00	8,999.00
Taxes on Income other than Corporation Tax	4,403.00	5,464.00	7,007.00	7,847.00	7,051.00
Taxes on Wealth	2.00	18.00	(-) 0.25	3.92	14.1
Customs	3,266.00	3,124.00	2,735.00	2,172.00	1,673.00
Union Excise Duties	2,749.00	4,120.00	2,859.00	1,443.00	1,163.00
Service Tax	3,535.00	3,949.00	3,083.00	282.00	144
Other Taxes and Duties on Commodities and Services	18.48			15.74	16.72
State Share of Union Taxes	20,354.00	24,538.00	27,099.00	30,639.00	26,393.00
Total Tax Revenue	1,00,830.00	1,10,479.00	1,20,836.00	1,36,173.00	1,33,855.00
Per cent of Union Taxes to Total Tax Revenue	20.19	22.21	22.43	22.50	19.72

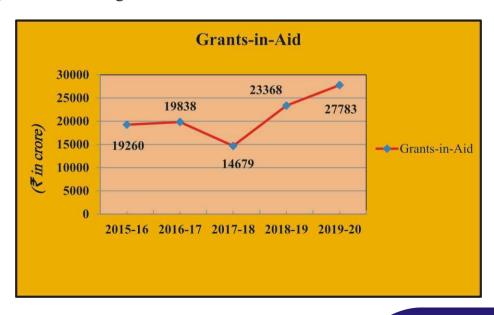
2.6. Grants-in-Aid

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 2019-20 total receipts under Grants-in-aid were ₹27,783 crore (excludes an amount of ₹72 crores refunded under Grants for States /Union Territories towards Plan Schemes).



2.6.1 Trend of Grants-in-Aid from Central Government

The Trend of Grants-in-Aid received from Central Government has increased by ₹4,415 crore during 2019-20 from that of 2018-19.



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

(₹ in crore)

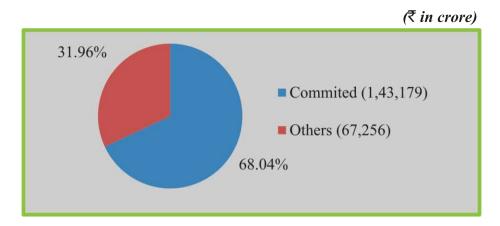
Description	2015-16	2016-17	2017-18	2018-19	2019-20
Original Budget Estimates	1,47,297	1,64,030	1,75,293	1,93,742	2,12,036
Actuals	1,40,993	1,53,195	1,67,874	1,97,201	2,10,435
Gap	6,304	10,835	7,419	(-) 3,459	(-)1,601
Percentage of gap over BE	4.3	6.6	4.2	(-) 1.8	0.8

Around 68.04 per cent of the revenue expenditure was "committed" to Salaries (₹42,325 crore), Interest Payments (₹31,980 crore), Pensions (₹28,577 crore), Subsidies (₹20,144 crore), Salary Grants (₹8,190 crore), Social Security and other Pensions (₹1,100 crore) Wages (₹110 crore), Dearness Allowances (₹9,639 crore) and Compensation and assignment to Local Bodies (₹1,114 crore).

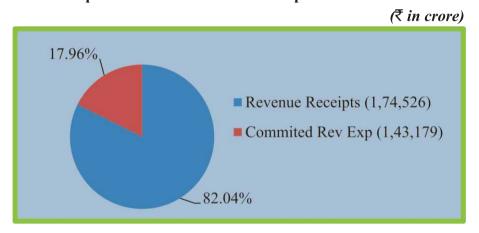
The position of committed and other revenue expenditure over the last five years is given below:

Description	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue expenditure	1,40,993	1,53,195	1,67,874	1,97,201	2,10,435
Revenue Receipts	1,29,008	1,40,231	1,46,280	1,73,741	1,74,526
Committed revenue expenditure	87,022	98,564	1,17,438	1,32,156	1,43,179
Uncommitted revenue expenditure	53,971	54,631	50,436	65,045	67,256
Committed Revenue expenditure to Revenue Receipts (in per cent)	67.45	70.29	80.28	76.06	82.04
Committed Revenue expenditure to total Revenue Expenditure (in <i>per cent</i>)	61.72	64.34	69.96	67.02	68.04

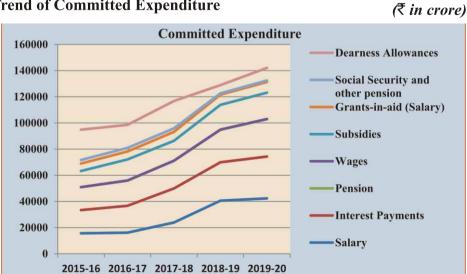
3.2.1 Total Revenue Expenditure Vs Committed Revenue Expenditure



Revenue Receipts Vs Committed Revenue Exp



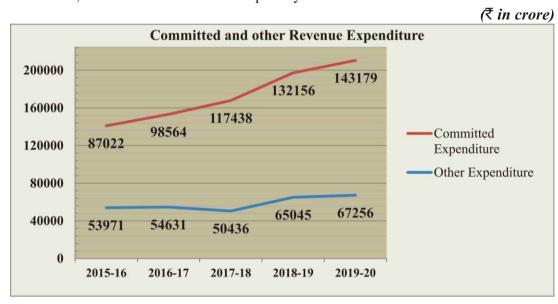
3.2.2 Trend of Committed Expenditure



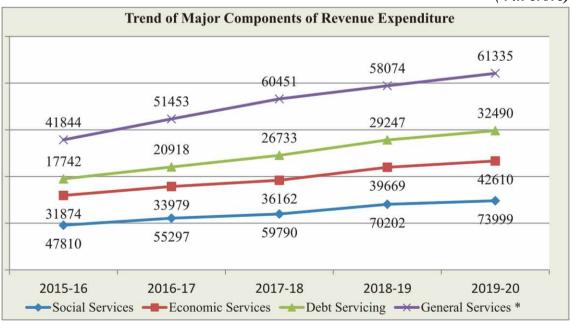
The upward trend on committed expenditure leaves the government with lesser flexibility for developmental spending.

3.2.3 Trend of Committed Revenue expenditure and Other Revenue Expenditure

The total Revenue Expenditure during 2019-20 was ₹2,10,435 crore which consists of Committed Revenue Expenditure of ₹1,43,179 crore and Other Revenue Expenditure of ₹67,256 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, Social, General and Economic Services. The State Government during the year 2019-20 has spent ₹1,442 crore on collection of taxes, ₹2,166 crore on Legislature, Governor's Office and Administration of Justice, ₹32,490 crore on Interest Payment and Servicing of debt, ₹11,291 crore on Administrative Services, ₹30,748 crore on Pension and Miscellaneous General Services, ₹73,999 crore on Social Services, ₹42,610 crore on Economic Services and ₹15,689 crore on Grants-in-aid and Contributions. Thus, the total sectoral distribution of Revenue Expenditure works out to ₹2,10,435 crore.

Components	Amount (₹in crore)	Percentage
A. General Services		
a. Organs of State	2,166	1.0
b. Fiscal Services	1,442	0.7
Collection of Taxes on Property and	587	0.3
Capital Transactions		
Collection of Taxes on Commodities and	845	0.4
Services		
Other Fiscal Services	10	**
c. Interest Payments and Servicing of	32,490	15.4
Debt		
d. Administrative Services	11,291	5.4
e. Pensions and Miscellaneous General	30,748	14.6
Services		
B. Social Services	73,999	35.2
C. Economic Services	42,610	20.2
D. Grants-in-aid and Contributions	15,689	7.5
Total Expenditure (Revenue Account)	2,10,435	100.00

3.3. Capital Expenditure

Capital disbursements of $\ref{29,654}$ crore (includes Loans and Advances disbursed $\ref{4,022}$ crore) for 2019-20, at 1.61 *per cent* of GSDP, fell short of original budget estimates by $\ref{5,274}$ 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 2019-20, the total Sectoral distribution of Capital Expenditure was ₹29,654 crore which decreased by ₹1,135 crore over the previous year.

3.3.2 Sectoral Distribution of Capital Expenditure over the past five years

(₹ in crore)

Description	2015-16	2016-17	2017-18	2018-19	2019-20
General Services	1,054	751	847	858	1,065
	(4.9)	(1.6)	(3.2)	(2.8)	(3.6)
Social Services	5,660	6,041	4,731	6,996	5,860
	(26.5)	(12.9)	(17.7)	(22.7)	(19.8)
Economic	12,280	13,917	14,625	16,457	18,707
Services	(57.6)	(29.8)	(54.7)	(55.5)	(63.1)
Loans and	2,331	26,047	6,517	6,478	4,022
Advances	(10.9)	(55.7)	(24.4)	(21.0)	(13.5)
Total	21,325	46,756	26,720	30,789	29,654

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 2019-20 was ₹1,88,062 crore (89 *per cent* of total revenue expenditure), ₹21,590 crore (84 *per cent* of total capital expenditure and ₹4,022 crore (100 *per cent* total loan disbursements) under Revenue, Capital and Loans and Advances respectively. The Central Assistance during 2019-20 was ₹22,373 crore (11 *per cent* of total revenue expenditure) under 'Revenue' and ₹4,042 crore (16 *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 2019-20 provided for gross expenditure of $\mathbb{Z}_{2,88,355}$ crore and reduction of expenditure (recoveries) of $\mathbb{Z}_{3,945}$ crore. Against this, the actual gross expenditure was $\mathbb{Z}_{2,61,260}$ crore and reduction of expenditure was $\mathbb{Z}_{3,305}$ crore. The actual expenditure resulted in a net saving of $\mathbb{Z}_{2,093}$ crore (9.4 *per cent*).

Appropriation Accounts is 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, 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

Nature of expenditure	Original grant	Supplementary grant	Total	Actual expenditure	Net Saving	Surrender
Revenue						
Voted	1,80,974	11,793	1,92,767	1,80,710	(-) 12,058	13,137
Charged	33,665	173	33,838	32,877	(-) 961	561
Capital						
Voted	32,533	4,488	37,021	25,617	(-) 11,403	11,103
Charged	61	167	228	167	(-) 61	56
Public Debt						
Charged	17,591	338	17,929	17,867	(-) 64	63
Loans and Advances Voted	3,678	2892	6,570	4,022	(-)2,548	2,640
Appropriation to Contingency Fund Voted	**			**)		
Total	2,68,502	19,853	2,88,355	2,61,260	(-) 27,096	27,560

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

(₹ in crore)

Year	Revenue	Capital	Public Debt	Loans and Advances	Total
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
2019-20	(-)13,019	(-)11,464	(-)63	(-)2,548	(-)27,094

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 cro					
Nomenclature	2015-16	2016-17	2017-18	2018-19	2019-20
State Legislature (Charged)	0.15	0.21	0.20	0.27	0.17
Governor and Council of	8.03	7.03	3.40	4.05	6.84
Ministers (Revenue)					
Administration of Justice	21.72	78.70	27.82	52.35	71.26
(Charged)					
	110.02	106.61	110.16	75.00	10.55
The state of the s	119.03	196.61	143.46	75.90	42.55
	114.62	(1.55	242.01	112.20	100.05
	114.63	61.55	242.91	113.29	160.65
	68.18	56.76	155 15	208 66	116.74
•	00.40	30.70	155.15	208.00	110.74
	158 99	189 91	352.63	114 75	142.35
	150.55	107.71	352.03	111.75	1 12.55
	23.00	76.17	4.17	4.85	5.91
(Capital)				,	
Stamps and Registration	91.12	78.51	27.28	40.19	36.28
Department (Revenue)					
Food and Congumer	222.82	228 76	02.27	60.50	270.72
	252.65	220.70	92.21	09.50	270.72
-					
Energy Department (Revenue)	1577.33	890.52	773.54	657.29	464.36
Finance Department(Revenue)	283.90	207.63	265.48	319.77	461.56
(Capital)	1980.00	1970.00	2000.00	768.90	768.41
Health and Family Welfare	0.30	0.80	0.87	0.85	1.24
	1500 45	1240 04	1742 21	1000.97	2005.20
	1389.43	1348.84	1/43.31	1990.87	2865.26
Motor Vehicles Act –					
Administration (Home,	92.72	22.05	23.17	66.62	54.65
Prohibition and Excise					
Department)(Revenue)		0.1.5	60.55	00.00	10-00
	134.86	34.37	28.72	33.33	137.29
	State Legislature (Charged) Governor and Council of Ministers (Revenue) Administration of Justice (Charged) Adi-Dravidar and Tribal Welfare Department (Capital) Agriculture Department(Capital) Fisheries Department (Revenue) Backward Classes, Most Backward Classes & Minorities Welfare Department (Revenue) (Capital) Stamps and Registration Department (Revenue) Food and Consumer Protection (Co-operation, Food and Consumer Protection Department) (Capital) Energy Department (Revenue) Finance Department(Revenue) (Capital) Health and Family Welfare Department(Revenue) (Charged) Highways and Minor Ports Department (Capital) Motor Vehicles Act — Administration (Home, Prohibition and Excise	State Legislature (Charged) Governor and Council of Ministers (Revenue) Administration of Justice (Charged) Adi-Dravidar and Tribal Welfare Department (Capital) Agriculture 114.63 Department(Capital) Fisheries Department (Revenue) Backward Classes, Most Backward Classes & Minorities Welfare Department (Revenue) (Capital) Stamps and Registration Department (Revenue) Food and Consumer Protection (Co-operation, Food and Consumer Protection Department) (Capital) Energy Department (Revenue) (Capital) Energy Department (Revenue) (Capital) Energy Department (Revenue) (Capital) Health and Family Welfare Department(Revenue) (Charged) Highways and Minor Ports Department (Capital) Motor Vehicles Act — Administration (Home, Prohibition and Excise Department)(Revenue) Tourism, Art and Culture (Tourism, Culture and Religious Endowments Department) Endowments Department)	State Legislature (Charged) Governor and Council of Ministers (Revenue) Administration of Justice (Charged) Adi-Dravidar and Tribal Welfare Department (Capital) Agriculture Department(Capital) Fisheries Department (Revenue) Backward Classes, Most Backward Classes & Minorities Welfare Department (Revenue) (Capital) Stamps and Registration Department (Revenue) Food and Consumer Protection (Co-operation, Food and Consumer Protection Department) (Capital) Energy Department (Revenue) (Capital) Energy Department (Revenue) (Capital) Health and Family Welfare Department(Revenue) (Charged) Highways and Minor Ports Department (Capital) Motor Vehicles Act – Administration (Home, Prohibition and Excise Department)(Revenue) Tourism, Art and Culture (Tourism, Culture and Religious Endowments Department) (Cultiful Stamps and Religious Endowments Department) 134.86 34.37	State Legislature (Charged) 0.15 0.21 0.20	State Legislature (Charged) 0.15 0.21 0.20 0.27

(₹ in crore)

Grant	Nomenclature	2015-16	2016-17	2017-18	2018-19	2019-20
No.						
34	Municipal Administration and Water Supply Department (Capital)	1370.43	556.94	2941.13	1289.69	3075.70
35	Personnel and Administrative Reforms Department (Revenue)	9.77	15.15	5.76	12.08	7.03
38	Public Department (Revenue)	53.05	115.25	89.52	99.98	80.45
	Charged	0.16	1.16	0.13	0.08	0.88
39	Buildings (Public Works Department) (Capital)	1186.89	641.73	1730.50	1336.56	1514.88
42	Rural Development and Panchayat Raj Department (Revenue)	980.88	5649.77	3848.59	2216.10	2277.30
44	Micro, Small and Medium Enterprises Department (Capital)	45.06	47.69	48.99	45.94	44.20

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:

Grant	Nomenclature	Original Estimate	Supplementary Estimate	Actual Expenditure	% of Saving
03	Administration of Justice	188.64	64.67	187.11	0.81
09	Backward Classes, Most Backward Classes and Minorities Welfare Department	237.81	5.71	201.77	15.15
21	Highways and Minor Ports Department	5.90	2.70	4.70	20.34
22	Police Department	615.52	42.51	597.38	2.95
23	Fire and Rescue Services Department	351.32	6.05	324.35	7.77
28	Information and Publicity (Tamil Development and Information Department)	24.54	2.19	23.34	4.89
39	Buildings (Public Works Department)	162.16	30.37	130.89	19.28

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(-)
6	240300794C SA	2.45	2.45	
9	222580101A BA	0.36	0.28	(-)0.08
16	207500800A JG	17.48	16.69	(-)0.79
29	420204106A JZ	82.23	82.22	(-)0.01
29	420204106C SA	44.25	44.24	(-)0.01
40	470103280A PA	0.62	0.19	(-)0.43
40	270103204A AY	1.01	5.13	4.12
40	271101800A AY	0.42	0.44	0.02
40	470101201A JA	13.50	13.47	(-)0.03
40	470103242A JB	3.32	3.32	* *
40	470103289A JA	0.50	0.50	**
40	470103203A JF	0.63	0.63	• •
43	220201800A AD	0.50	0.50	••
44	405901051A KZ	10.25	10.24	(-)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	222502277A BC	4.00
04	222502277A BD	2.50
04	422501277A JO	1,00.00
05	240100108F VC	2.00
05	240100789A AC	2.25
05	240100793F UE	1.14
07	240500800A BJ	1.50
07	440500104A JK	45.73
19	221005105A BS	7.60
19	221005105A BU	5.16
19	221005105A CF	9.15
22	761000201A AE	40.14
22	761000201A JB	6.24
27	205300094A CK	1.59
27	285280800A BB	2,00.00
27	285280800A JG	25.63
29	545201101A LE	24.00
35	407000800A KM	12.74
38	201500105A AA	1.55
38	207000800A AS	9.98
40	470103429A PW	6.66
40	471101103A KL	1.63
42	221603789A JD	1,21,80.00
43	220202004A AE	3.40
47	225000800A AB	1,41.36
50	207101108A AD	6.90
51	224502193A AX	1,56.13
51	224502800A AU	4.22
51	224580102A AD	62.04
51	224580800A AB	5.50

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 (PSU's) stood at ₹39,866 crore at the end of 2019-20. Dividends received during the year as per accounts was ₹192 crore (0.48 per cent) on investment. During 2019-20, investments increased by ₹3,386 crore (net) and income from dividend increased by ₹36 crore. The major investment was made in Tamil Nadu Power Finance and Infrastructure Development Corporation Limited (₹1,640 crore).

(₹ in crore)

Nature	2015-16	2016-17	2017-18	2018-19	2019-20
Investments	25,725	29,811	33,579	36,480	39,866
Dividends	141	185	159	156	192
Returns in percentage	0.55	0.62	0.47	0.43	0.48

5.1.2. Cash Balance and investment of Cash Balances

Cash Balance with RBI stood at ₹(-)443 crore on 1 April 2019 and increased to ₹940 crore at the end of 31 March 2020. The cash balance investment in Treasury Bills decreased from ₹11,008 crore on 1 April 2019 to ₹10,142 crore as of 31 March 2020. The interest realised on Cash Balance Investments made during the year was ₹301 crore.

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

Cash Balances and Investments

(₹ in crore)

Component	As on 1 April 2019	As on 31 March 2020	Net increase(+)/ decrease(-)
Cash Balances*	(-)443	940	(+)1,383
Investments from cash balance (GOI Treasury Bills)	11,008	10,142	(-)866
Other cash balances	12	12	
(a) Departmental Balances	4	4	
(b) Permanent Cash imprest **	8	8	
Investment from earmarked fund balances	32,652	38,334	(+)5,682
(a) Guarantee Redemption Fund	277	640	(+)363
(b) Other Funds	32,375	37,694	(+)5,319
Interest realized***	729	301	(-)428

- * The minus balance on 1 April 2019 denotes excess of expenditure over the receipts due to non-reporting of e-receipts by agency banks to PAO (East)
- ** This permanent cash imprest is maintained by drawing officers namely Tahsildars, Treasury Officers
- *** It includes interest on investments out of Guarantee Redemption Fund (₹ 27.42 crore)

5.1.3. Loans and Advances made by the State Government

Total loans and advances made by the State Government during 2019-20 was ₹4,022 crore.

Sector-wise services/loanees	2019-20
Social Sector	757
Economic Sector	3,030
Loans to Government Servants	235

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

(₹ in crore)

Sector	Balance as on 1 April 2019	Disburs ements during the year	Repay ments during the year	Loans and advances written off	Balance as on 31 March 2020	Net increase(+)/ Decrease(-) during the year
Social	11,299	757	335	*	11,721	422
Economic	29,359	3,030	4,784	•	27,605	(-)1,754
Government servants	1,297	235	265		1,267	(-)30
Miscellaneous	(-)596				(-)596	
Total	41,359	4,022	5,384		39,997	(-)1,362

5.1.5. Significant disbursement of Loans and Advances by State Government

As on 31 March 2020 a sum of ₹39,997 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

Major Heads	Purpose	Amount
Urban Development	Loans to Chennai Metro Rail Corporation Limited (₹191 crore) and Loans to Tamil Nadu Urban Development Fund (₹420 crore)	611
Co-operative Societies	Loans to Co-operatives under Integrated Co- operative Development Programme – controlled by the Registrar of Co-operative Societies	218
Power Projects	Tamil Nadu Transmission System Improvement Project with Loan assistance from JICA-01-Loans to TANTRANSCO and TANGEDCO	1,248
Consumer Industries	Soft loans to Industrial units under structured assistance package controlled by Industries Commissioner and Director of Industries and Commerce	137
Road Transport	Short term loan for State Road Transport Undertakings	1,093

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

During 2019-20 ₹5,384 crore has been received towards repayment of loans and advances.

(₹ in crore)

Sector-wise services/loanees	2019-20
Social Sector	335
Economic Sector	4,784
Repayment by Government Servants	265

The major repayments received were from Electricity Schemes ($\overline{\xi}4,578$ crore), Government servants ($\overline{\xi}265$ crore) and Urban Development ($\overline{\xi}177$ crore). Effective steps to recover the outstanding loans ($\overline{\xi}39,997$ 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

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
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
2019-20	3,70,550	20.1	53,193	2.8	4,23,743	22.9

^{*} Taken as net of balances.

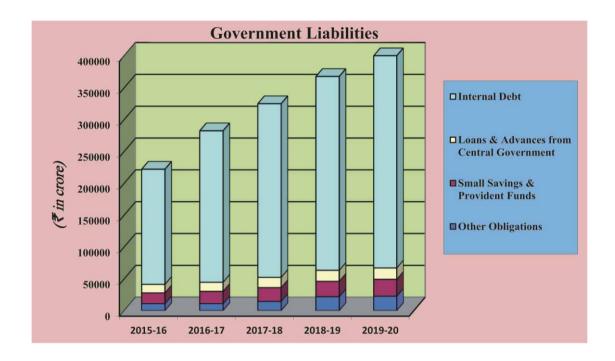
5.3. Government Liabilities:

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 5.2

Trends of outstanding Fiscal Liabilities

Liabilities	2015-16	2016-17	2017-18	2018-19	2019-20
Internal Debt	1,80,693	2,37,701	2,72,634	3,04,350	3,52,625
Loans and Advances from Central Government	13,403	14,338	16,135	17,292	17,925
Small Savings and Provident Funds	16,970	19,325	21,660	24,110	26,475
Reserve Funds	1,304	1,342	1,877	1,330	2,158
Other Obligations	10,660	10,688	14,212	21,654	24,560

^{**} Excludes Advances, Suspense & Miscellaneous and Remittance balances.



Public debt and other liabilities of the Government increased from 22.2 *per cent* of GSDP at the end of 2018-19 to 22.9 *per cent* of GSDP at the end of 2019-20 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 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 2020 was ₹640 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
2015-16	1,935	51,586
2016-17	9,128	29,145
2017-18	15,517	36,131
2018-19	83,140	43,661
2019-20	4,667	47,319

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

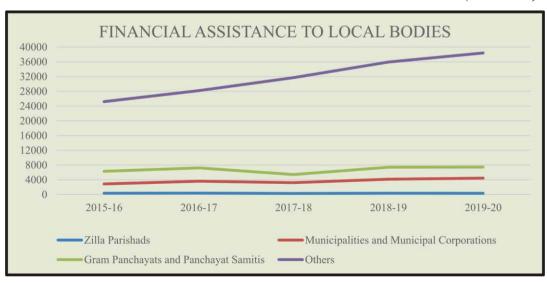
During 2019-20, the State Government received an amount of ₹279 crore as Guarantee Fee. The receipt is accounted for under the major head "0075-Miscellaneous General Services". Out of total balance of ₹701 crore in the Guarantee Redemption Fund, ₹640 crore was invested in Treasury Bills.

6.1 Financial assistance to local bodies and others

During the past five years, Grants-in-aid to local bodies etc., increased from ₹34,713 crore in 2015-16 to (₹50,604 crore) in 2019-20. The grants to Zilla Parishads, Panchayat Samitis and Municipalities/Municipal Corporation (₹12,203 crore) represented 24.11 *per cent* of total grants given during the year. The Financial assistance to others (₹38,401 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	2015-16	2016-17	2017-18	2018-19	2019-20
Zilla Parishads	347	377	285	337	323
Municipalities and Municipal Corporations	2,872	3,617	3,210	4,161	4,447
Gram Panc layats and Panchayat Samitis	6,298	7,222	5,416	7,394	7,433
Others	25,196	28,181	31,720	35,934	38,401
Total	34,713	39,397	40,631	47,826	50,604



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 ₹196.77 crore was received on account of advance apportionment of IGST and an amount of ₹1,838.35 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 ₹8,922.03 crore was sanctioned during the year as compensation to the State towards loss of revenue on roll out of GST.

6.2.3 Non settlement of SGST-Refunds:

As per the details furnished by the Commercial Tax Department, Tamil Nadu, SGST refunds to be made by the State Government during the year 2019-20 is ₹3,817.79 crore. However, only an amount of ₹2,992.78 crore has been booked as refunds in the books of account of Accountant General (A&E). The difference of ₹825.01 crore which is yet to be refunded by the State to the Central Government has resulted in understatement of Revenue Deficit and Fiscal Deficit to that extent.

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 2019-20, the State Government transferred ₹707.10 crore to SDRF Account towards natural calamities (Central share of ₹500.85 crore and State share of ₹206.25 crore). There was no contribution from NDRF during the year. Though the entire amount 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 16 years, the Government of Tamil Nadu has not transferred these accumulations to the PFRDA by designating a Fund Manager. As on 31 March 2020, the total amount standing to the credit of DCPS fund is ₹36,809.88 crore. The balance comprises of cash balance of ₹5,894.40 crore, ₹7,755.48 crore in Treasury Bill Investment and Investment in LIC of ₹23,160 crore.Till the end of financial year 2019-20, the State Government has invested ₹7,755.48 crore in 91 days Non-Competitive Treasury Bills and earned an interest of ₹1,251.52 crore (average interest 16.14 per cent) as against interest payment of ₹2,438.14 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 ₹469.64 crore were outstanding beyond the stipulated period as follows:

Year*	No. of UCs pending	Amount (₹ in crore)	Remarks
2017-18	4	40.91	Commissionerate of Municipal Administration, Directorate of Rural Development and Panchayat, Commissionerate of Industries and Commerce.
2018-19	13	102.30	Directorate of Agriculture, Directorate of Town and Country Planning, Directorate of Rural Development and Panchayat, Commissionerate of Industries and Commerce, Tamil Nadu Physical Education and Sports University
2019-20	34	326.43	Commissionerate of Municipal Administration, Chennai Metropolitan Water supply and Sewerage Board, Directorate of Employment and Training, Sports Development Authority of Tamil Nadu, Tamil Nadu Physical Education and Sports University, Tamil Nadu Agricultural University, Directorate of Fisheries and various other departments
Total	51	469.64	

^{*} The year mentioned above relates to "Due Year" i.e. after 18 months of actual drawal

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 1752 nos. of outstanding Temporary Advances amounting to ₹367.41 crore remaining unadjusted as on 31 March 2020 as reported by the Commissioner of Treasuries and Accounts. The details, with year-wise break up of pendency are stated below.

6.6.1 Details of outstanding Temporary Advances as on 31March 2020

(₹ in crore)

Period of pendency	No. of Items	Amount
More than 10 years	14	0.95
More than 5 years and less than 10 years	10	44.51
More than 1 year and less than 5 years	319	179.70
Less than 1 year	1409	142.25
Total	1752	367.41

Out of the total outstanding Temporary Advances amounting to ₹367.41 crore, the major departments which have not submitted settlement bills were Directorate of Integrated Child Development Services (50.07%) and Courts (23.19%).

Amount of outstanding Temporary Advances decreased to ₹367.41 crore during 2019-20 compared to ₹425.51 crore during 2018-19.

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

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 and payment made through ECS but remain un-encashed at the end of the year. As on 31 March 2020, cheques and ECS amounting to ₹6,822.12 crore (Credit) remain unencashed out of which, an amount of ₹3,380.14 crore representing un-encashed cheques was kept under Part III Public Accounts for want of original service head details overstating the expenditure to that extent under the respective service major heads.

Similarly, payments made by Treasuries and PAOs through Electronic Clearance Services (ECS) amounting to ₹102.59 crore also remain un-credited to recipients' bank account 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.

The fact of return ECS is 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 ₹6,404.62 crore (2.71 per cent of total expenditure of ₹2,36,066.31 crore) was booked under 289 sub heads during March 2020 though no expenditure was incurred till February 2020 during the year 2019-20.

Category wise details of such rush of expenditure during March 2020 are given below.

(₹ in crore)

SL.No	Category	No. of items	Amount
1.	Above 1000 crore	100	
2.	Between 501 crore and 1000 crore	4	3,327.04
3.	Between 101 crore and 500 crore	9	1,746.55
4.	Between 1 crore and 100 crore	87	1,302.27
5.	Below 1 crore	190	28.76
	Total	290	6,404.62

During 2019-20, 27.54 *per cent* (₹71,049.29 crore) of total expenditure (₹2,57,955.02 crore) under Consolidated Fund was incurred during the last quarter of the current financial year, and 28.35 per cent (₹69,939.51 crore) of total receipts (₹2,46,684.22 crore) were received during the last quarter. Comparison of month wise receipt corresponding to expenditure for the last quarter (January 2020 to March 2020) is as under:

(₹ in crore)

Month	Expenditure	Receipt	Expenditure compared to Receipts Increase (+) / Decrease (-)
January 2020	17,850.09	20,932.69	(-)3,082.60
February 2020	16,571.38	22,308.92	(-)5,737.54
March 2020	36,627.77	26,697.90	(+)9,929.87
Total	71,049.29	69,939.51	(+)1,109.73

However, during this period of previous year the expenditure was 35.10 per cent (₹85,309.08 crore) of total expenditure (₹2,43,053.09 crore) under Consolidated Fund.

6.9 Ujwal DISCOM Assurance Yojana (UDAY)

Under Ujwal Discom Assurance Yojana Scheme (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. As per the scheme, Government of Tamil Nadu took over 75 per cent of ₹30,420 crore debt of TANGEDCO i.e. ₹22,815 crore. The Government of Tamil Nadu raised the funds through Non-SLR (Statutory Liquidity Ratio) bonds and transferred the amount to TANGEDCO (2016-17). The assistance to the extent of ₹22,815 crore was treated as 'Loan' by the State Government (G.O.Ms.No.12) Energy (C2) Department dated 6 March 2017. As per the instructions in the G.O.Ms.No.8 Energy (C2) Department dated 10 February 2017, (i) the loan credited under MH 6003-106, is repayable by Government of Tamil Nadu after completion of six years from the year of receipt of loan assistance in 2016-17, (ii) Tamil Nadu State Government converted the interest free loan into grant (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 the head MH '2801-80-101- JH' and crediting the loan head MH-6801. After converting the interest free loan into grant during 2017-18, 2018-19 and 2019-20 the outstanding loan to be adjusted under MH 6801-190 is ₹9,126.00 crore.

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