



सत्यमेव जयते

ACCOUNTS AT A GLANCE 2015-16



GOVERNMENT OF TAMIL NADU





सत्यमेव जयते

ACCOUNTS AT A GLANCE FOR THE YEAR 2015-16



GOVERNMENT OF TAMIL NADU



PREFACE

This is the eighteenth 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.

(ARUN GOYAL)
ACCOUNTANT GENERAL
(ACCOUNTS & ENTITLEMENTS)

Place : **Chennai**
Date : **16.01.2017**



Table of Contents

Chapter I	Overview	Page
1.1	Introduction	1
1.2	Structure of Accounts	1
1.3	Submission of Accounts by Accounts rendering Authorities/Units	3
1.4	Finance Accounts and Appropriation Accounts - What do they depict?	3
1.5	Sources and Application of Funds	4
1.6	Deficit – What do they indicate?	8
1.7	Highlights of Accounts	11
1.8	Major Accounting Issues highlighted in the Notes to Accounts	12
 Chapter II	 Receipts	
2.1	Introduction	14
2.2	Revenue Receipts	15
2.3	Grants-in-aid/Central assistance	16
2.4	Capital Receipts	17
 Chapter III	 Expenditure	
3.1	Introduction	18
3.2	Revenue Expenditure	18
3.3	Capital Expenditure	18
3.4	Plan and Non-Plan Expenditure	20
3.5	Trends in Revenue Expenditure	22
 Chapter IV	 Appropriation Accounts	
4.1	Importance of Appropriation Accounts	24
4.2	Highlights of Appropriation Accounts	24
4.3	Reconciliation between Appropriation Accounts and Finance Accounts	25
4.4	Persistent Saving	25
 Chapter V	 Assets and Liabilities	
5.1	Assets	28
5.2	Debt and Liabilities	29
5.3	Public Account	30
5.4	Interest Payments	31
5.5	Utilisation of Borrowed Funds	33
5.6	Ways and Means Advances	33
5.7	Guarantees	34
 Chapter VI	 Other Items	
6.1	Loans and Advances by the State Government	35
6.2	Reconciliation of Accounts	35
6.3	General Cash Balances	35



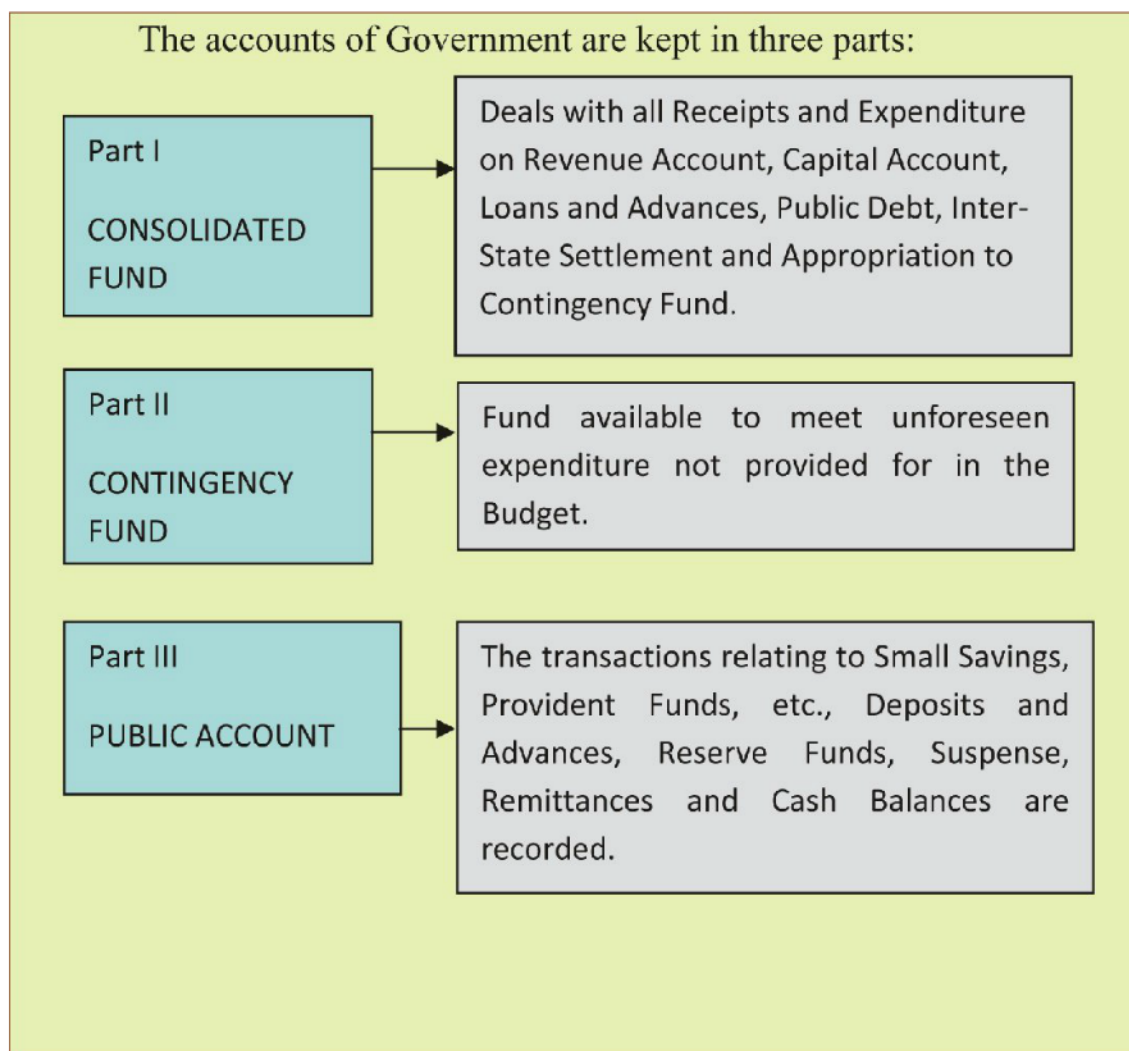
CHAPTER-I

OVERVIEW

1.1 Introduction

The monthly accounts of the Government of Tamil Nadu are compiled and consolidated from the accounts submitted by the District Treasuries, Pay and Accounts Offices, Public Works and Forest Divisions, etc., to the Accountant General (Accounts & Entitlements), Tamil Nadu, Chennai. The Finance Accounts and Appropriation Accounts are prepared annually by the Accountant General (Accounts & Entitlements) under the directions of the 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.

1.2 Structure of Accounts



Part I Consolidated Fund: During 2015-16 total Receipts amounted to ₹1,62,319 crore comprising ₹1,29,008 crore Revenue Receipts (₹1,00,830 crore Tax revenue, ₹8,918 crore Non-Tax revenue and ₹19,260 crore Grants from Central Government) and ₹33,311 crore Net Capital Receipts consisting of Recovery of Loans and Advances (₹684 crore) and Borrowings and Other Liabilities (₹32,627 crore).

Disbursements during the year were ₹1,62,319 crore comprising ₹1,40,993 crore (86.9 per cent) on Revenue Account and ₹21,326 crore (13.1 per cent) on Capital Account. The Capital Account consists of Capital expenditure (₹18,995 crore) and Loans and Advances (₹2,331 crore).

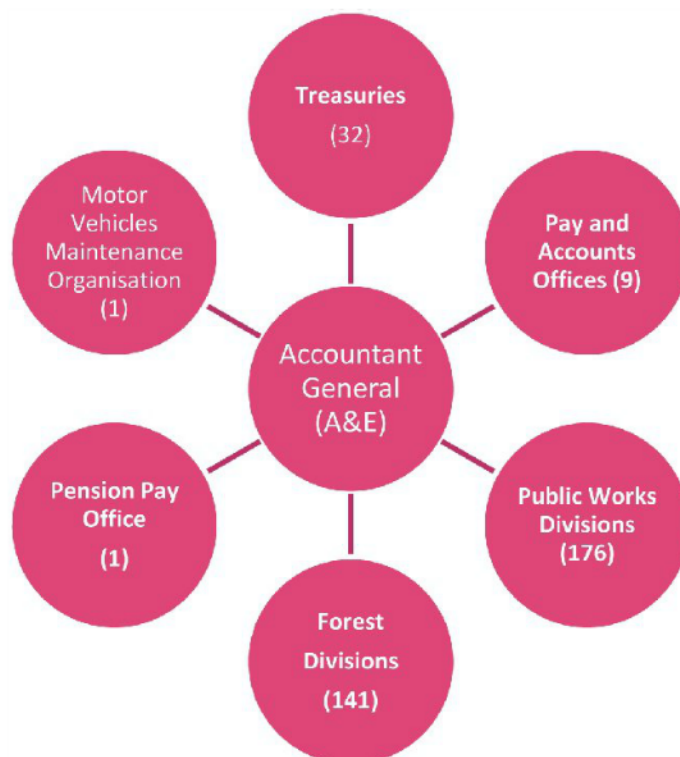
Part II Contingency Fund: The Contingency Fund has a corpus of ₹150 crore. During the current year, a total of ₹68 crore was sanctioned from the Fund through various Government Orders. An expenditure of ₹19 crore remained unrecouped to the Fund at the end of March 2016. The remaining amount of ₹49 crore was recouped to the Fund in two stages: (i) First Supplementary Estimate in October 2015 (₹17 crore) and (ii) Final Supplementary Estimate in February 2016 (₹32 crore).

Part III Public Account: The transactions relating to Small Savings, Provident Funds etc., Deposits and Advances, Reserve Funds, Suspense, Remittances and Cash Balances are recorded in the Public Account. The total liabilities on account of these as on 31 March 2016 was ₹2,23,030 crore and assets through cash balance investment was ₹9,416 crore. The State Government acts as a banker and trustee in respect of the amounts under Small Savings collections, Provident Funds and Deposits only.



1.3 Submission of Accounts by Accounts rendering Authorities/Units :

Authorities/Units rendering accounts to Accountant General (Accounts & Entitlements)



There were no exclusion of accounts in any month during 2015-16. However, vouchers for ₹177 crore were due to be received for the year 2015-16 from various Treasuries.

1.4 Finance Accounts and Appropriation Accounts - What do they depict?

Finance Accounts

Finance Accounts present the net receipts and outgoings of the Government for the year together with the financial results disclosed by the Revenue and Capital accounts, the accounts of the Public Debt and the Liabilities and Assets of the Government of Tamil Nadu as worked out from the balances recorded in the accounts.

From April 2014 Government of India have been releasing Central Assistance for CSS/ACA Flagship Schemes directly to the State Government and these releases are classified as “Central Assistance to State Plans”.

In 2015-16, the Government of India have directly released ₹3,914.73 crore to the State Implementing Agencies/Non Governmental Organisations, Central Bodies located in the State as well as various

other organisations outside the purview of Government of Tamil Nadu. Since these funds are not routed through State Budget, they are not reflected in the accounts of Government of Tamil Nadu. These transfers, captured from Central Plan Schemes Monitoring System (CPSMS) portal of the Controller General of Accounts, Ministry of Finance and Government of India are exhibited in Appendix VI of Finance Accounts.

Appropriation Accounts

Appropriation Accounts bring out the gross expenditure of the State Government incurred from the Consolidated Fund of the State against amounts voted by the State Legislature and amounts charged on the Fund. The Appropriation Accounts supplement the Finance Accounts and comprise accounts of 55 Charged Appropriations and 54 Voted Grants.

Appropriation Act 2015 had projected for a gross expenditure of ₹1,95,913 crore, including the Supplementary Grants totalling ₹11,617 crore, voted by State Legislature during the year. An amount of ₹1,928 crore was also projected as recoveries in reduction of expenditure.

Appropriation Accounts 2015-16 showed disbursements aggregating ₹1,73,288 crore against the aggregate budget provision of ₹1,95,913 crore, resulting in a saving of ₹22,625 crore against Grants and Appropriations.

Actual Recoveries in reduction of expenditure amounted to ₹4,363 crore reflecting an increase of ₹2,435 crore vis-à-vis Budget Estimate of ₹1,928 crore.

1.5 Sources and Application of Funds

During the year 2015-16, Government raised revenue of ₹1,65,758 crore, including recoveries of Loans and Advances of ₹684 crore and debt of ₹36,066 crore. Out of this ₹6,605 crore was utilized to repay Public Debt and ₹1,62,319 crore was spent on Government activities. Total expenditure from the Consolidated Fund was ₹1,68,924 crore. This has resulted in a deficit of ₹3,166 crore. Expenditure incurred from Contingency Fund remaining unrecouped at the close of the year was ₹19 crore. This together with Public Account surplus of ₹3,186 crore had increased the Cash Balance by ₹1 crore.



Sources and Application of Funds

SOURCES	PARTICULARS	AMOUNT (₹ in crore)
	Revenue Receipts	1,29,008
	Recovery of Loans and advances	684
	Miscellaneous Capital Receipts	..
	Public Debt	36,066
	Contingency Fund	..
	Public Account Surplus	3,186
	TOTAL	1,68,944

APPLICATION	PARTICULARS	AMOUNT (₹ in crore)
	Revenue Expenditure	1,40,993
	Loans and Advances Disbursed	2,331
	Capital Expenditure	18,995
	Repayment of Public Debt	6,605
	Contingency Fund	19
	Cash Increase	1
	TOTAL	1,68,944

The total receipts were sufficient to meet only 98.1 per cent of the total expenditure, leaving a Fiscal Deficit of ₹32,627 crore. The Revenue Deficit (difference between total Revenue Expenditure and total Revenue Receipts) for the year was ₹11,985 crore. In terms of Gross State Domestic Product (GSDP) Fiscal Deficit was 2.7 per cent of GSDP (₹12,12,668 crore) and Revenue Deficit was 1.0 per cent of GSDP.

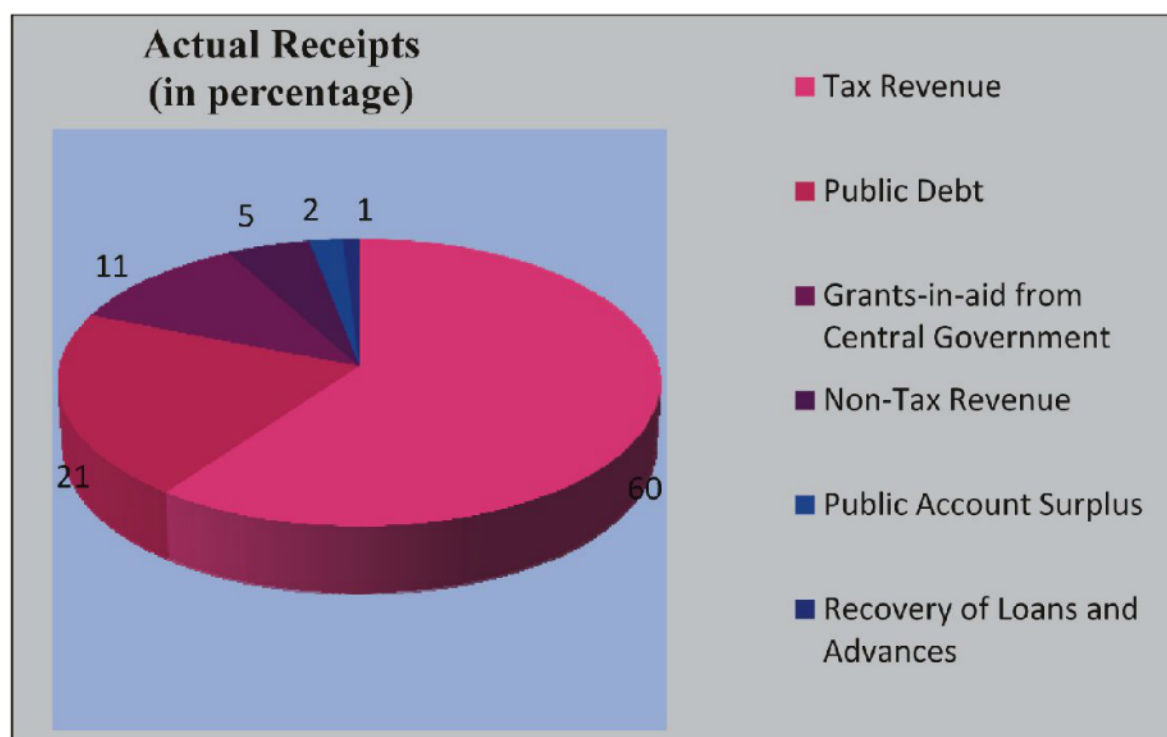
1.5.1 Sources Financing the Deficit

The Fiscal deficit of ₹32,627 crore was financed mainly from Public Debt.

1.5.2 Where the Rupee came from?

The total expenditure for the year 2015-16 was ₹1,68,944 crore. For every rupee spent, 76 paise came from Revenue Receipts (Tax Revenue (60 paise), Non-Tax Revenue (5 paise) and Grants-in-aid from Central Government (11 paise)), Public Debt (21 paise), Public Account Surplus (2 paise) and Recovery of Loans and Advances (1 paise). Thus, the main sources of funds were Tax Revenue and Borrowings. The cumulative Public Debt at the end of 2015-16 stood at ₹1,94,096 crore (discussed in Para 5.2). The position is brought out in percentage terms in Chart 1.

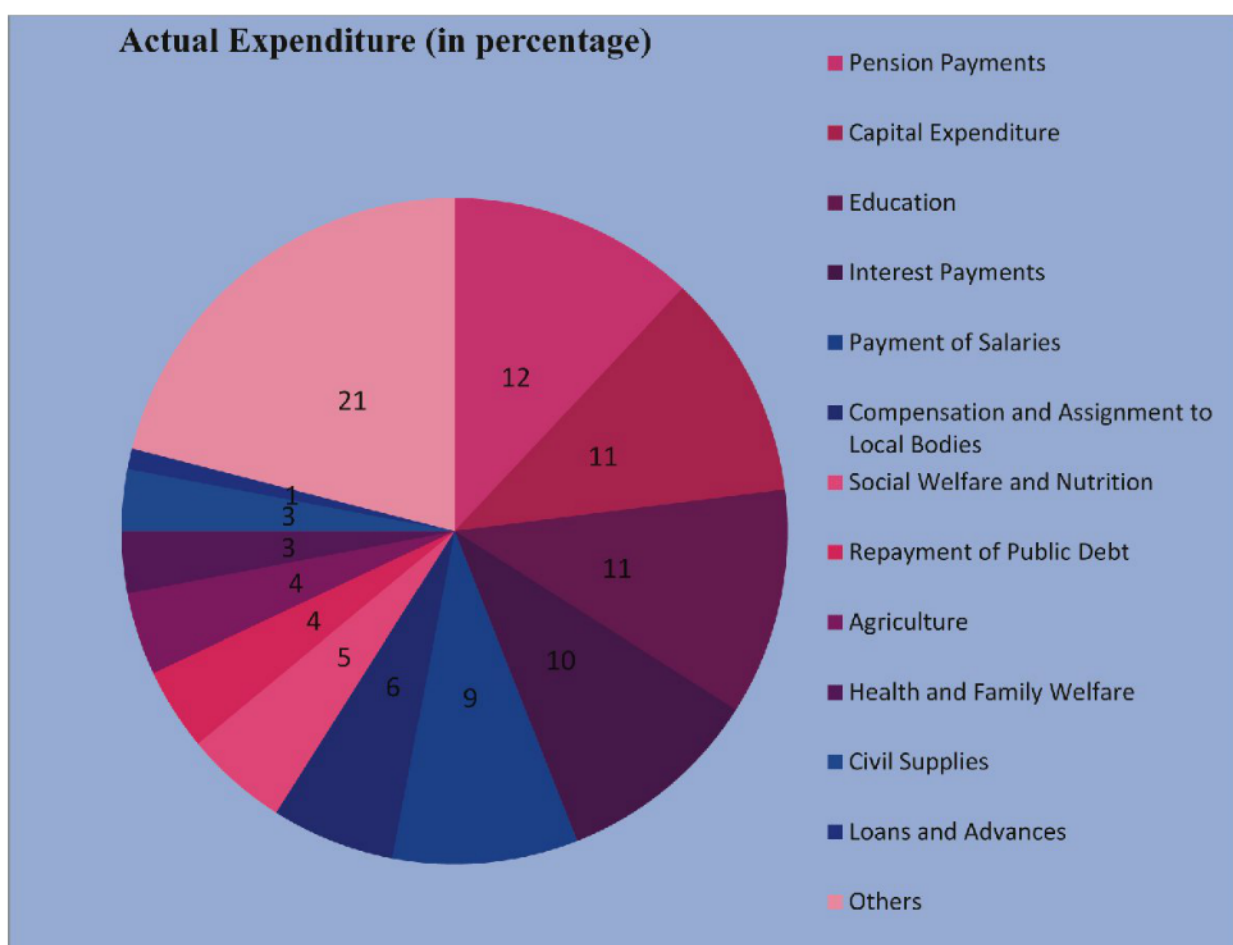
Chart 1



1.5.3 How the Rupee was spent ?

Out of every rupee spent, 12 paise for Pension Payments, 11 paise for Capital Expenditure, 11 paise for Education, 10 paise for Interest Payments, 9 paise for payment of Salaries, 6 paise for Compensation and Assignments to Local Bodies and Panchayati Raj Institutions, 5 paise for Social Welfare and Nutrition, 4 paise for Repayment of Public Debt, 4 paise for Agriculture, 3 paise for Health and Family Welfare, 3 paise for Civil Supplies, 1 paise for Loans and Advances and the balance 21 paise for Others. The position is brought out in percentage terms in Chart 2.

Chart 2



1.6 Deficit - What do they indicate?

Deficit represents gap between the revenue and expenditure. The kind of deficit, the ways of financing the deficit and application of funds are important indicators of the prudent financial management by Government.

A. Revenue Deficit :- Revenue Expenditure minus Revenue Receipts

As per the traditional theory of financial management, revenue expenditure is required to maintain the existing establishment of Government and should be met out of revenue receipts. During the year 2015-16 the Revenue Account resulted in a Deficit of ₹11,985 crore.

B. Fiscal Deficit:- Total Expenditure minus Total Receipts (Revenue Receipts plus Capital Receipts minus Borrowings and other Liabilities)

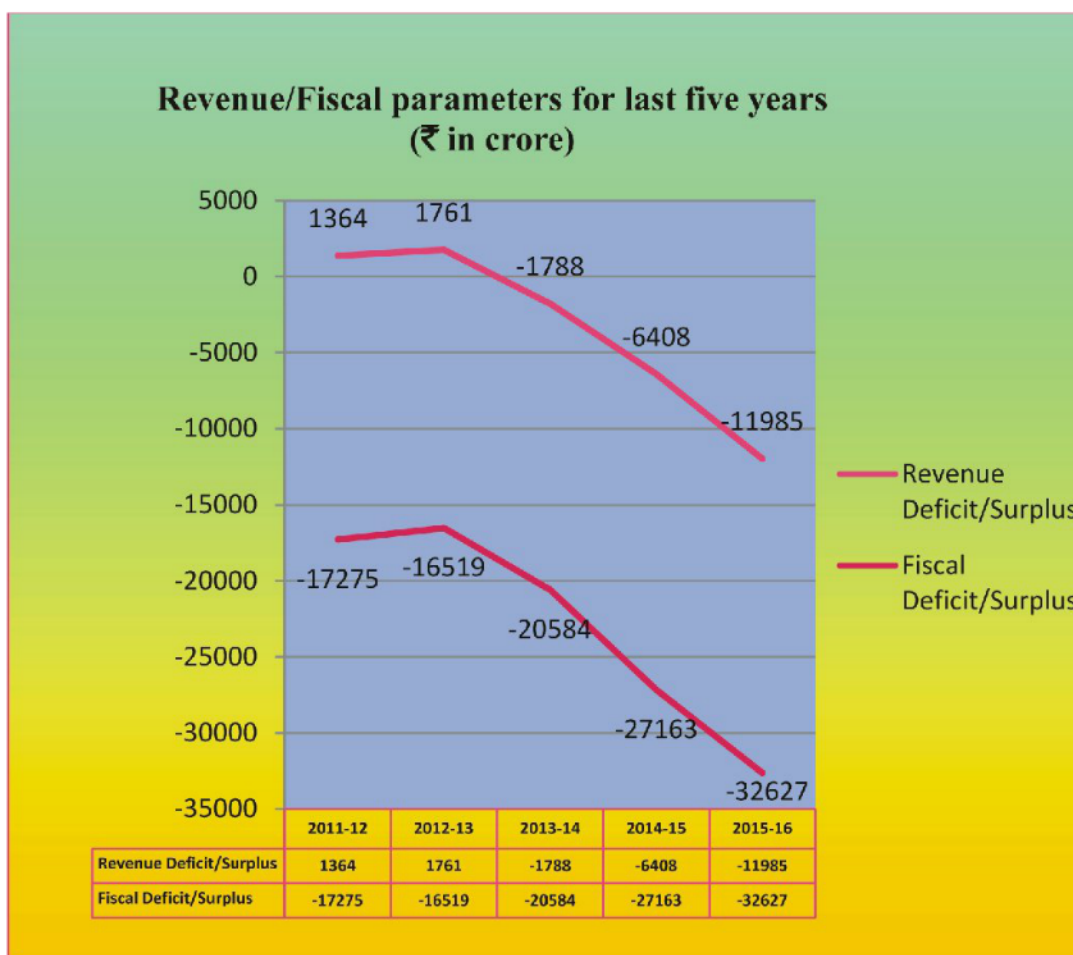
It is a measure of total expenditure which is mainly financed by 'Borrowings'. During the year 2015-16, Fiscal Deficit comprising of Borrowings and other Liabilities was ₹32,627 crore.

1.6.1 Trend of Revenue Deficit / Surplus and Fiscal Deficit for the last five years is shown in the table below and Chart 3:

Revenue/Fiscal Parameters				
Year	Revenue Deficit (-) / Surplus (+) (₹ in crore)	Percentage of Revenue Deficit (-) / Surplus (+) to GSDP*	Fiscal Deficit (-) / Surplus (+) (₹ in crore)	Percentage of Fiscal Deficit (-) / Surplus (+) to GSDP*
2011-12	+1,364	+0.2	-17,275	-2.7
2012-13	+1,761	+0.2	-16,519	-2.2
2013-14	-1,788	-0.2	-20,584	-2.4
2014-15	-6,408	-0.7	-27,163	-2.8
2015-16	-11,985	-1.0	-32,627	-2.7

*GSDP: ₹12,12,668 crore

Chart 3



As per the Tamil Nadu Fiscal Responsibility Act, 2003, the Government has committed to reduce the ratio of revenue deficit to revenue receipt every year by 3 per cent to 5 per cent depending upon the economic situation in that year to a level below 5 per cent by 31 March 2008, eliminate revenue deficit by 2011-12 and maintain Revenue Surplus thereafter. Though this was maintained in 2011-12 and 2012-13, from 2013-14 to 2015-16 the Revenue Account has resulted in Revenue Deficit.

Revenue Surplus in 2011-12 and 2012-13 turned to Revenue Deficit from 2013-14.

The net revenue deficit during the year increased to ₹11,985 crore from ₹6,408 crore in 2014-15 registering an increase of 87 per cent. There has been an overall increase of 9.4 per cent in Revenue expenditure as compared to previous year contributing to net Revenue deficit amounting to ₹11,985 crore at the end of the year. Though there was increase in Revenue receipts during the year as compared to previous year, the increase was only 5.4 per cent. This was due to increase in Tax Revenue

by 5.6 per cent and grants from Government of India by 3.6 per cent. However, there was decrease in Non-Tax Revenue by 6.8 per cent during the year as compared to previous year.

The Fiscal Deficit of the State during the year also increased to ₹32,627 crore from ₹17,275 crore in 2011-12 as shown in the Table at previous page. This constituted 2.7 per cent of GSDP.

As per Tamil Nadu Fiscal Responsibility Act, 2003, the Government has committed to reduce the ratio of Fiscal Deficit to Gross State Domestic Product (GSDP) every year by 0.25 per cent to 0.30 per cent beginning from Financial Year 2002-03 with medium term goal of not being more than 3 per cent of Fiscal Deficit to GSDP to be attained by 31 March 2012 and adhere to it thereafter. In 2009-10, the ratio of Fiscal Deficit to GSDP had increased by 0.6 per cent as compared to 2008-09. In 2010-11, there was no change in the ratio, the actual deficit being 3.1 per cent, while in 2011-12, the Fiscal Deficit had reduced by 0.4 per cent to 2.7 per cent and in 2012-13, the Fiscal Deficit has further reduced by 0.5 per cent to 2.2 per cent of GSDP, but during 2013-14 Fiscal Deficit has increased by 0.2 per cent from 2.2 per cent to 2.4 per cent of GSDP. During 2014-15 Fiscal Deficit increased by 0.4 per cent from 2.4 per cent to 2.8 per cent. During 2015-16, Fiscal Deficit has decreased by 0.1 per cent from 2.8 per cent to 2.7 per cent of GSDP.

1.6.2 Proportion of borrowed funds spent on Capital Expenditure.

It is desirable to fully utilize borrowed funds for the creation of Capital Assets and to use Revenue Receipts for the repayment of Principal and Interest. The State Government had achieved Revenue Surplus in 2011-12 and 2012-13 but from 2013-14 to 2015-16 it turned out to Revenue Deficit.



1.7 Highlights of Accounts

Sl. No.	Particulars	B.E 2015-16 (₹ in crore)	Actuals (₹ in crore)	Percentage of Actuals to B.E
1	Tax Revenue	1,17,233	1,00,830	86.0
2	Non-Tax Revenue	9,071	8,918	98.3
3	Grants from Central Government	16,377	19,260	117.6
4	Total Revenue Receipts	1,42,681	1,29,008	90.4
5	Recovery of Loans & Advances	300	684	228.0
6	Other Receipts
7	Borrowings and other liabilities (B)	31,829	32,627	102.5
8	Total Capital Receipts (A)	32,129	33,311	103.7
9	Total Receipts	1,74,810	1,62,319	92.9
10	Expenditure on Revenue Account	1,47,297	1,40,993	95.7
11	Expenditure on Capital Account (C)	27,513	21,326	77.5
12	Total Expenditure	1,74,810	1,62,319	92.9
13	Revenue Surplus (+)(4-10)/ Deficit (-) (10-4)	-4,616	-11,985	..
14	Fiscal Deficit (4+5+6-12)	-31,829	-32,627	..

- (A) Capital Receipts: Recovery of Loans and Advances + Other Receipts+Borrowings and Other Liabilities.
- (B) Borrowings and Other Liabilities: Net (Receipts - Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Part III Public Account + Net of Opening and Closing Cash Balance.
- (C) Expenditure on Capital Account includes Capital Expenditure and Loans and Advances Disbursed.

GSDP: ₹12,12,668 crore.

1.8 Major Accounting Issues highlighted in the Notes to Accounts

(i) Transfer of Funds to the Savings Bank Accounts of the DDOs -

It has been the practice in the treasury accounting system to draw huge funds from the treasuries for implementation of various schemes / programmes and disbursement of financial assistance to the beneficiaries. The monies so drawn are credited into saving bank accounts of different DDOs for further utilization. This has been resulting in parking of Government money outside the purview of Treasury / Government Accounts. Further, there is no system of rendering of accounts (with vouchers) to the Accountant General (A&E) for the actual expenditure incurred out of the funds from these bank accounts. Complete details of all such funds continuing to be parked outside the Government account are not available.

Notably, financial assistance under National Disaster Response Fund (NDRF)/State Disaster Response Fund (SDRF) amounting to ₹1,863 crore have been transferred to the savings bank accounts of the DDOs instead of disbursement of individual beneficiary-oriented assistance by direct transfer to their bank account as directed by GOI. As this has caused deviation to the disbursement procedure already enunciated in the Government Orders, the State Government during January 2016 issued instructions to immediately close all such saving bank accounts opened by the DDOs / Tahsildars and to remit back the balance money available in such accounts along with interest. However, this was not adhered by the DDOs / Tahsildars as the bank accounts were not closed till March 2016 resulting in considerable Government funds kept outside the Treasury / Government accounts.

(ii) Treatment of Liquidated Damages as Revenue Receipts-

An amount of ₹71.32 crore being liquidated damages recovered from the suppliers of laptop computers has been treated as Revenue Receipts instead of reduction in original expenditure.

(iii) Temporary Advances-

An amount of ₹1.87 crore being the capital outlay towards construction of Anganwadi Centres was irregularly drawn during March 2016 from the Treasury as Temporary Advances under Article 99 of Tamil Nadu Financial Code (Volume I) and credited into the saving bank accounts of implementing departments.



(iv) Short transfer to Reserve Funds-

As on 31 March 2016, there was a short transfer of funds amounting to ₹123.25 crore to the specified Reserve Funds.

(v) Rush of Expenditure-

During the year 2015-16, an amount of ₹5,921.90 crore was booked under 442 sub heads in the month of March 2016 though no expenditure was incurred under these heads during rest of the period till February 2016.

(vi) Impact on Revenue Deficit and Fiscal Deficit-

Overall, there was an understatement of ₹1,318.48 crore under Revenue Deficit and Fiscal Deficit during 2015-16.



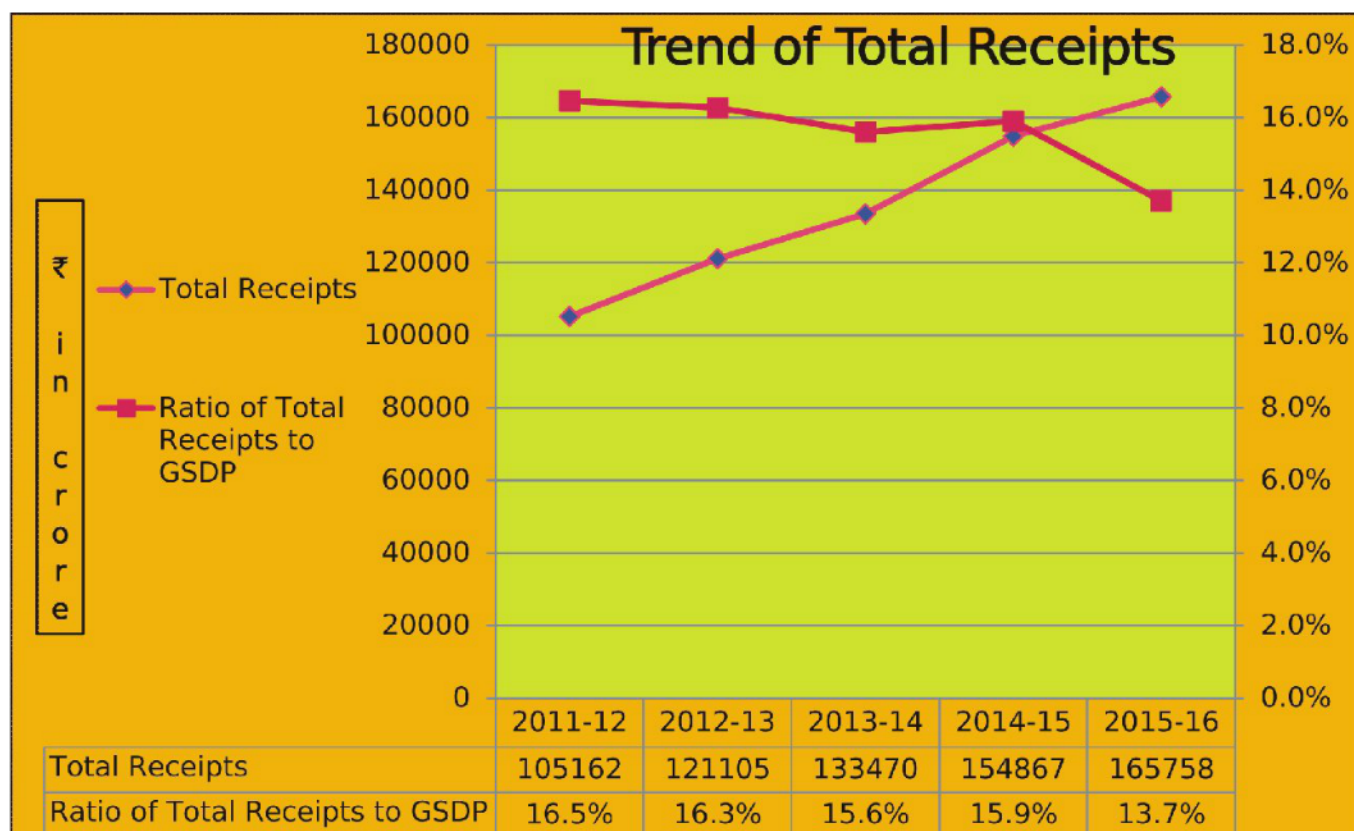
CHAPTER - II

RECEIPTS

2.1 Introduction

Total receipts for the current year were ₹1,65,758 crore (Revenue Receipts ₹1,29,008 crore and Capital Receipts ₹36,750) as shown in Chart 4. Based on their source, receipts of Government are classified into Revenue Receipts and Capital Receipts.

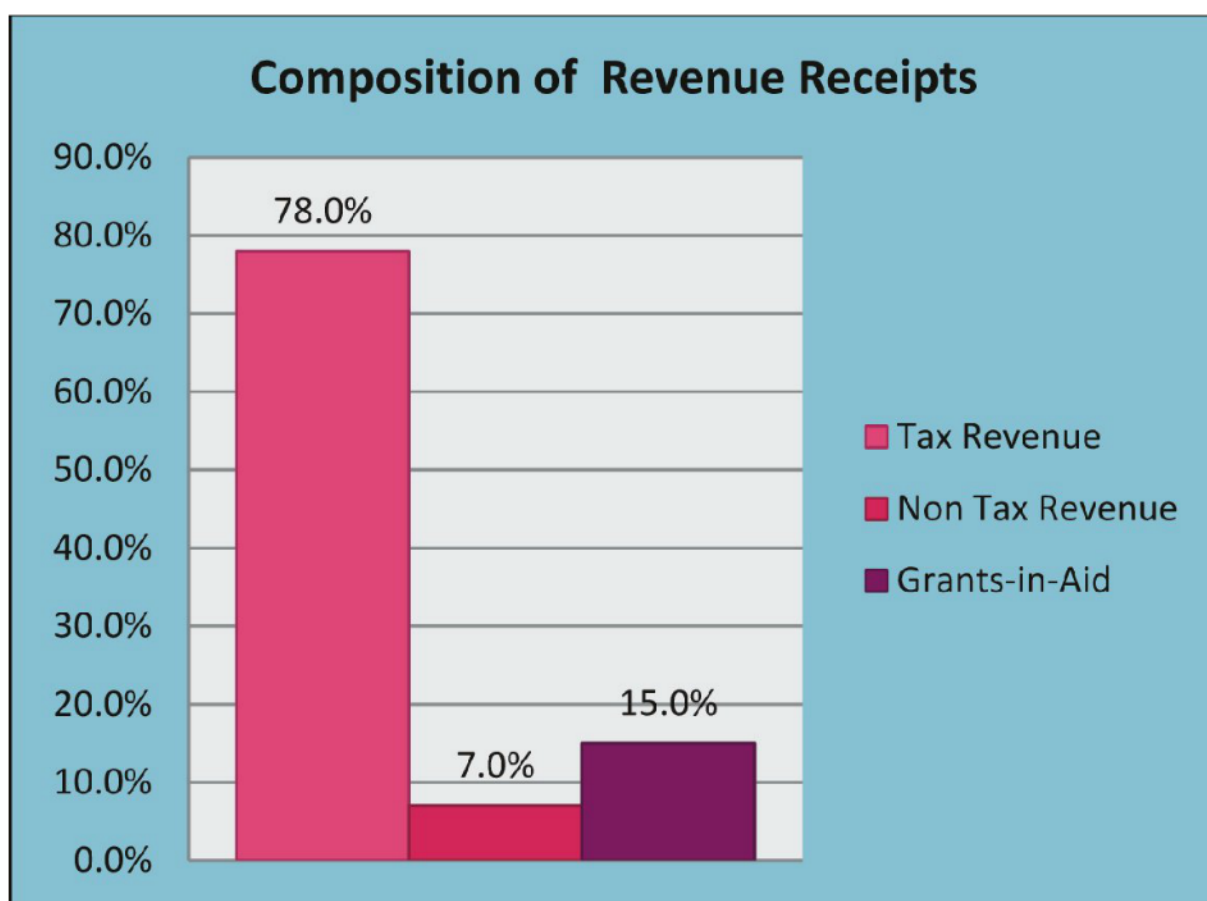
Chart 4



2.2 Revenue Receipts

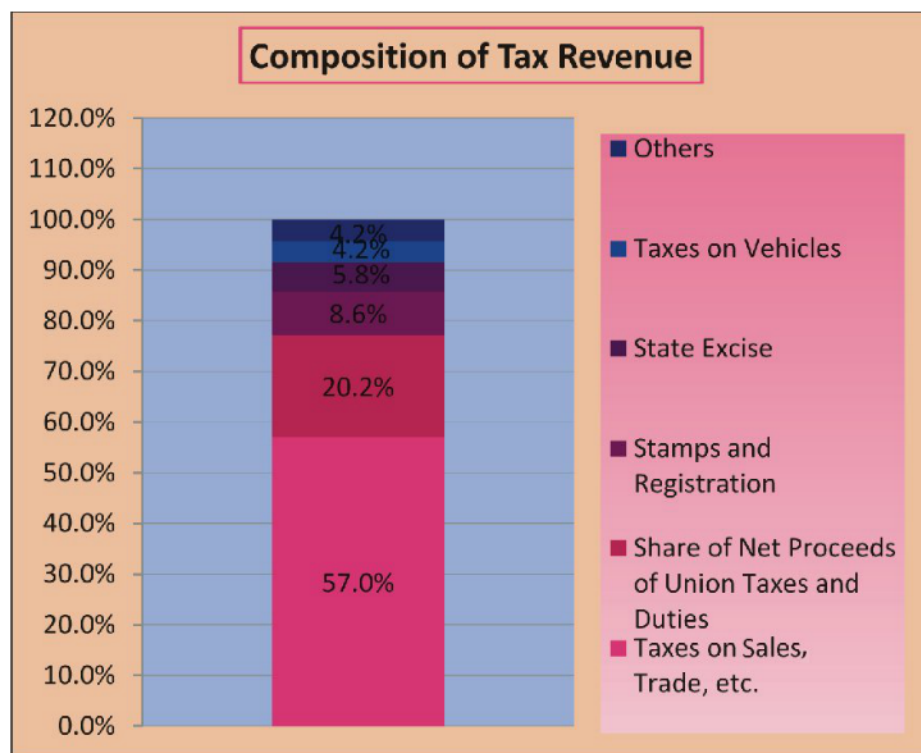
Tax Revenue of ₹1,00,830 crore and Non-Tax Revenue of ₹8,918 crore formed 8.3 per cent and 0.7 per cent respectively of GSDP. Revenue receipts include ₹19,260 crore received from Government of India as Grants-in-aid. The share of 'Tax Revenue' to 'Total Revenue Receipts' was 78 per cent, while 'Non-Tax Revenue' and 'Grants-in-Aid' accounted for 7 per cent and 15 per cent respectively as shown in Chart 5.

Chart 5



Tax Revenue included ₹20,354 crore representing 'Share of Net Proceeds of Union Taxes and Duties' assigned to the State (20.2 per cent). Major contributors to States' own Tax Revenue receipts were (i) Taxes on Sales, Trade, etc., ₹57,522 crore (57 per cent), (ii) Stamps and Registration Fees ₹8,721 crore (8.6 per cent), (iii) State Excise ₹5,836 crore (5.8 per cent), (iv) Taxes on Vehicles ₹4,233 crore (4.2 per cent) and (v) Others ₹4,164 crore (4.2 per cent) as shown in Chart 6.

Chart 6



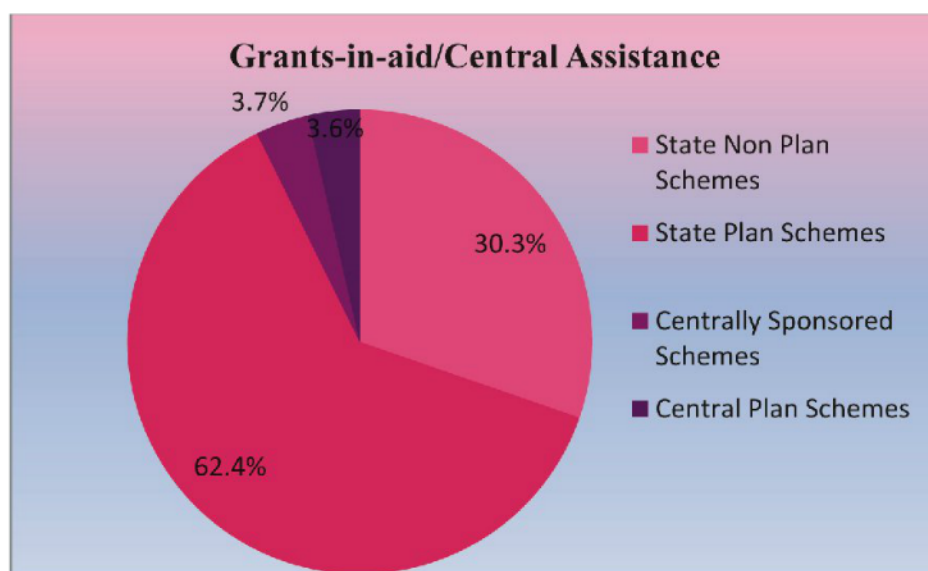
Tax Revenue during the year was lesser than the Budget Estimate by ₹16,403 crore, the decrease being mainly under Corporation Tax, Stamps and Registration, State Excise, Taxes on Sales, Trade etc., Taxes on Goods and Passengers, Taxes on Vehicles and Service Tax. Non-Tax Revenue during the year was lesser than the Budget Estimate by ₹153 crore, mainly on account of less collection under Education, Sports, Art and Culture, Crop Husbandry, Forestry and Wild Life, Police, Urban Development and Non-ferrous, Mining and Metallurgical Industries.

2.3 Grants-in-aid/Central assistance

This represents assistance received from Government of India in the form of Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by Planning Commission and State Non-plan Grants recommended by Finance Commissions. The total receipts during the year 2015-16 were ₹19,260 crore which was more by 3.6 per cent of 2014-15 as shown in the table below and Chart 7.

Item	Amount (₹ in crore)	Percentage to total Grant
Non Plan Schemes	5,832	30.3
State Plan Schemes	12,017	62.4
Central Plan Schemes	694	3.6
Centrally Sponsored Schemes	717	3.7
Total	19,260	100.0

Chart 7



2.4 Capital Receipts

The Capital Receipts are mainly Borrowings (exclusive of Liabilities), Recoveries of Loans and Advances made by Government and Miscellaneous Capital Receipts. The composition of the Capital Receipts for the year is as shown below:

Item	Amount (₹ in crore)	Percentage to total Capital Receipts
A. Public Debt	36,066	98.0
1. Internal Debt	34,695	94.0
2. Loans and Advances from Central Government	1,371	4.0
B. Recovery of Loans and Advances	684	2.0
Total	36,750	100.0

CHAPTER - III

EXPENDITURE

3.1 Introduction

The expenditure of the Government consists of Revenue Expenditure and Capital Expenditure.

3.2 Revenue Expenditure

Revenue expenditure of ₹1,40,993 crore for the current year represents the amount spent on payment of Pension (₹20,266 crore), expenditure on Education, Sports, Art and Culture (₹18,597 crore), payment of Interest (₹17,742 crore), payment of Salaries (Pay ₹15,648 crore), expenditure on Social Welfare and Nutrition (₹8,867 crore), expenditure on Health and Family Welfare (₹5,741 crore) and others (₹54,132 crore). Revenue Expenditure (₹1,40,993 crore) was 11.6 per cent of GSDP. It was less than Budget Estimate by ₹6,304 crore (₹3,577 crore decrease under Non-Plan and ₹2,727 crore decrease under Plan).

3.3 Capital Expenditure

Expenditure of a Capital nature to be classified in the Capital Section shall broadly be defined as expenditure incurred with the object of either increasing concrete assets of a material and permanent character or of reducing recurring liabilities. Such expenditure during the year 2015-16 was ₹27,931 crore as shown in the table below:

SECTOR-WISE CAPITAL EXPENDITURE

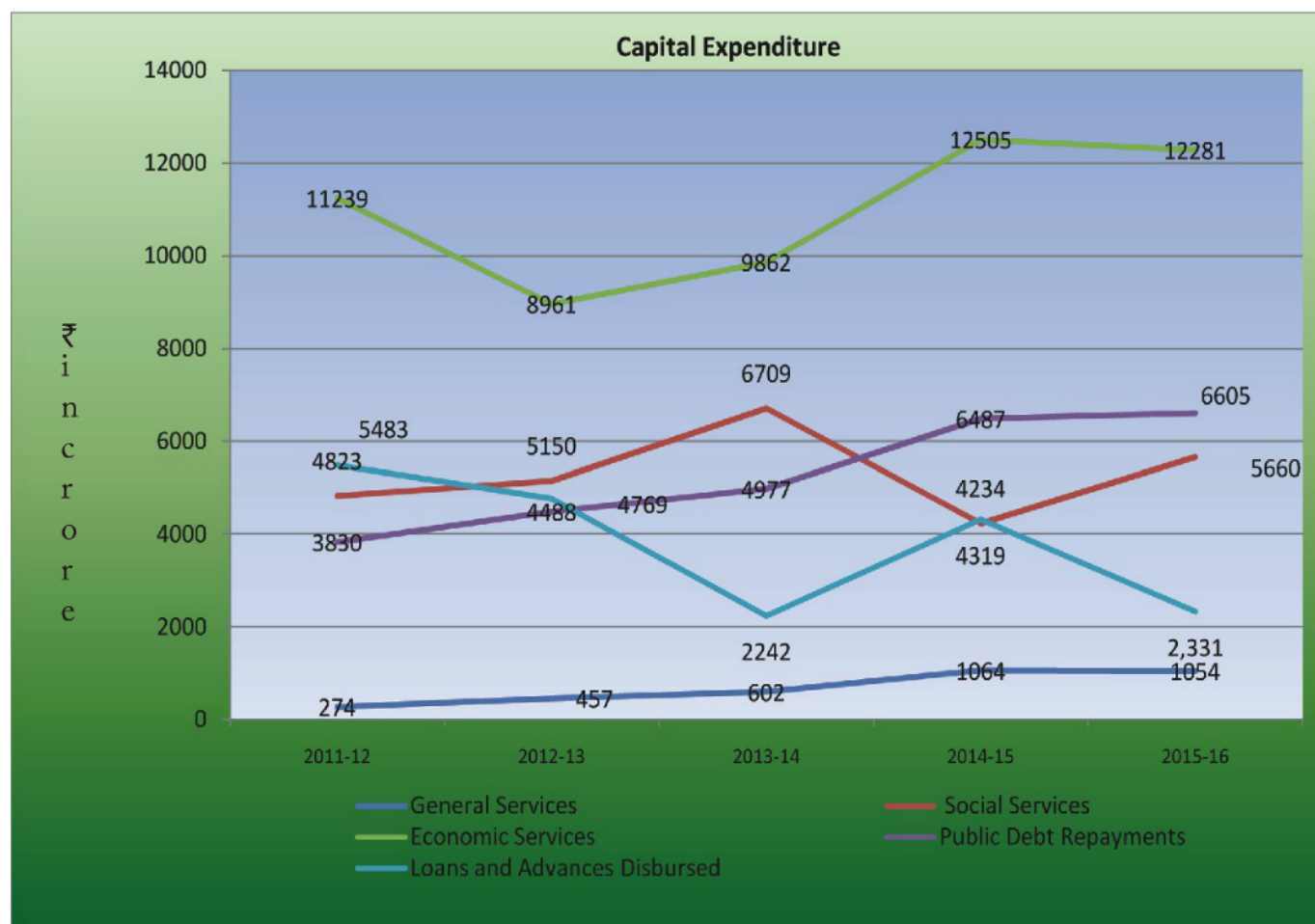
Sector	Amount (₹ in crore)	Percentage to Total Capital Expenditure
1. General Services - Police, Public Works etc.	1,054	3.8
2. Social Services - Education, Health and Family Welfare, Water Supply, Welfare of SC/STs etc.	5,660	20.3
3. Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	12,281	44.0
4. Repayment of Public Debt	6,605	23.6
(a) Internal Debt of the State Government	5,739	20.5
(b) Loans and Advances from the Central Government	866	3.1
5. Loans and Advances Disbursed	2,331	8.3
Total	27,931	100.0

Out of the total Capital expenditure, 3.8 per cent was spent under General Services, 20.3 per cent under Social Services, 44.0 per cent under Economic Services, 23.6 per cent for repayment of Public Debt and 8.3 per cent for disbursement of Loans and Advances during the year 2015-16.

3.3.1 Trend in Capital Expenditure

Compared to the previous year, there was increase in Capital Expenditure in 2015-16 on Social Services, Economic Services and Repayment of Public Debt while the expenditure on General Services and Disbursement of Loans and Advances decreased as shown in the Chart 8 below:

Chart 8



3.4. Plan and Non-Plan Expenditure

Based on the purpose and nature of expenditure, the expenditure is further segregated into Plan and Non-plan.

3.4.1 Plan Expenditure (Revenue, Capital and Loans and Advances)

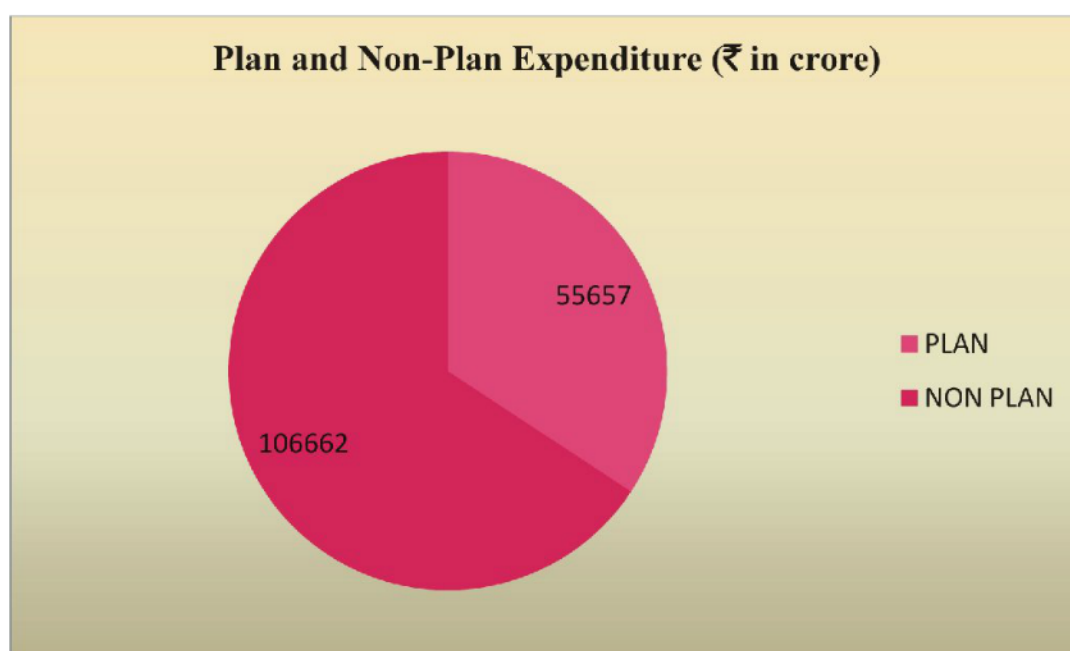
During the year 2015-16, Plan Expenditure representing 34 per cent of total disbursements, was ₹55,657 crore (₹52,417 crore under State Plan and ₹3,240 crore under Centrally Sponsored Schemes).

3.4.2 Non-Plan Expenditure (Revenue, Capital and Loans and Advances)

Non-Plan Expenditure during 2015-16 representing 66 per cent of total disbursements was ₹1,06,662 crore, consisting of ₹1,04,415 crore under Revenue and ₹2,247 crore under Capital and Loans and Advances.

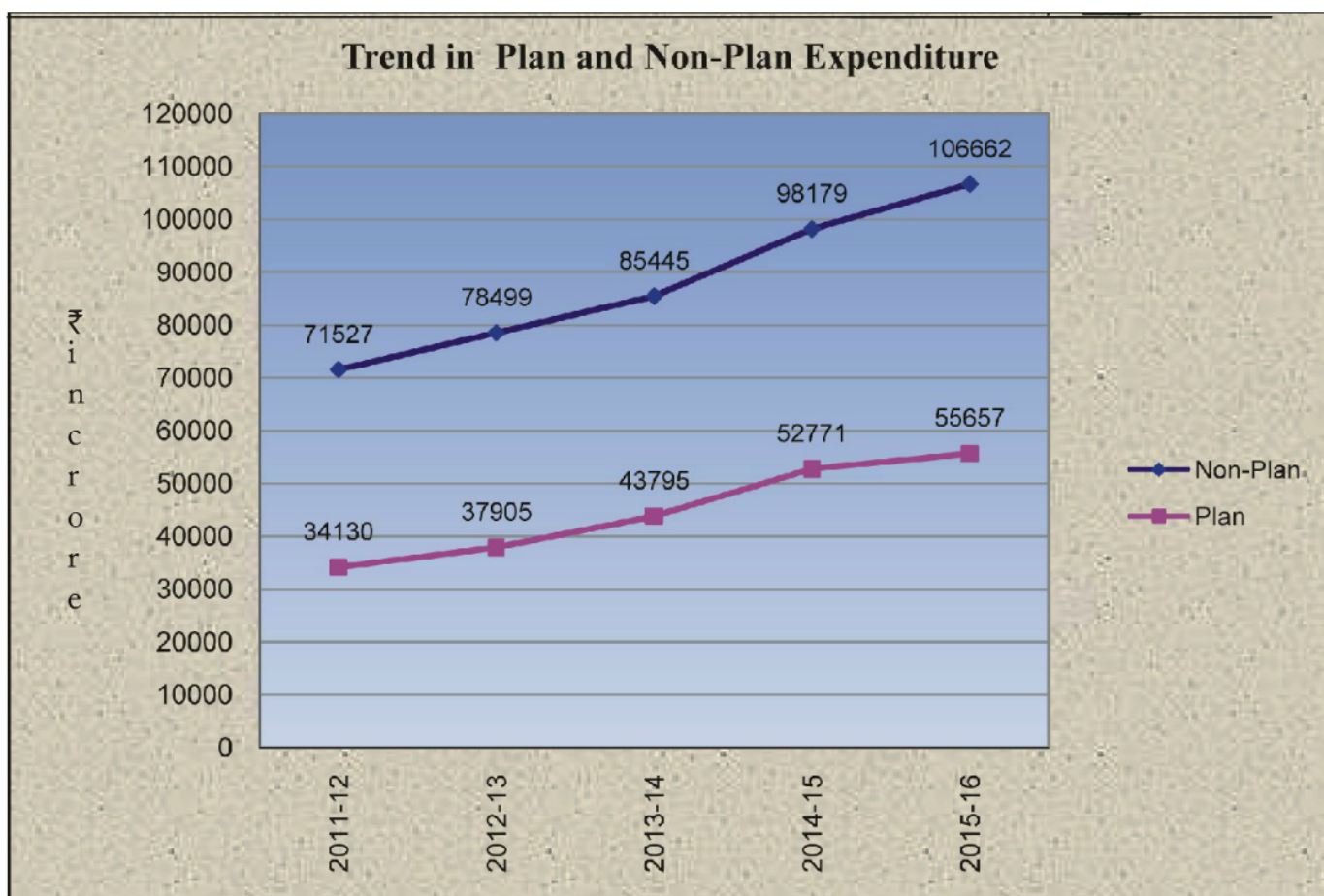
The following chart 9 shows the distribution of Expenditure under Plan and Non-Plan (Revenue, Capital and Loans and Advances) for the year 2015-16:

Chart 9



3.4.3 Trend in total Plan and Non-Plan expenditure under Revenue and Capital sections for the past five years from 2011-12 to 2015-16 is depicted in Chart 10.

Chart 10



3.5 Trends in Revenue expenditure

Trends in Revenue expenditure under Administrative Services and a few key sub-sectors under General, Social and Economic Services for the past five years from 2011-12 to 2015-16 are depicted in Charts 11 to 14:

Chart 11

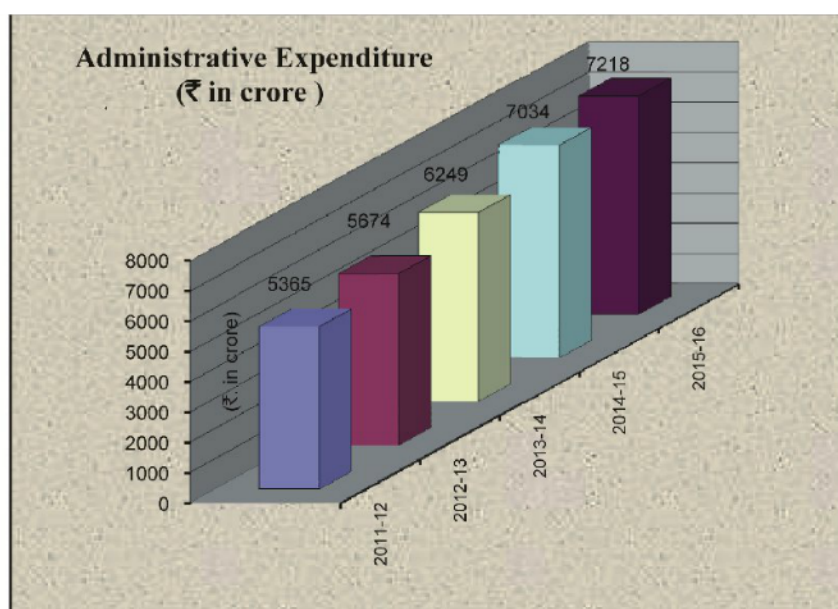


Chart 12

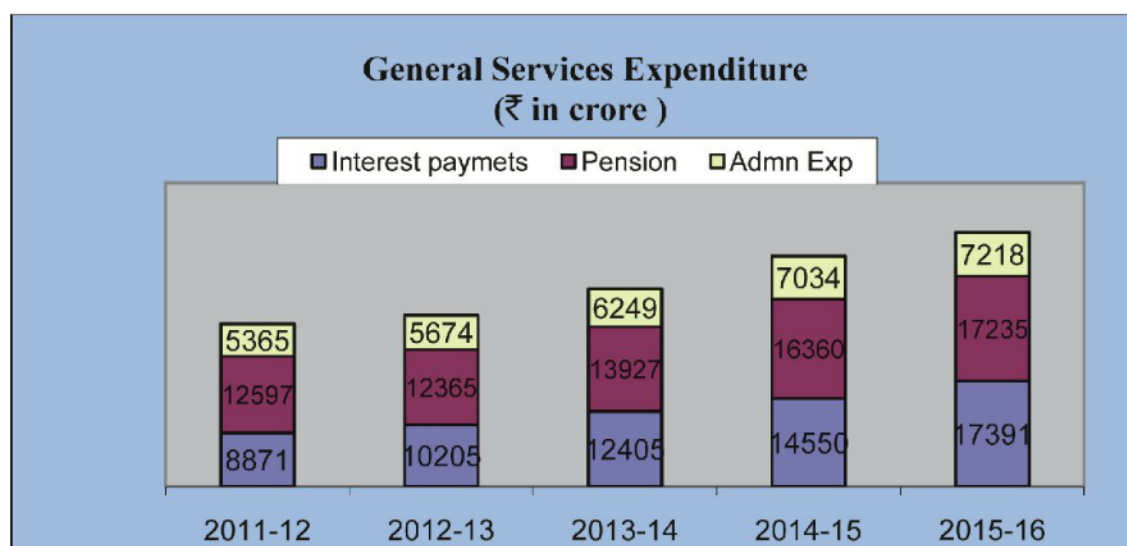


Chart 13

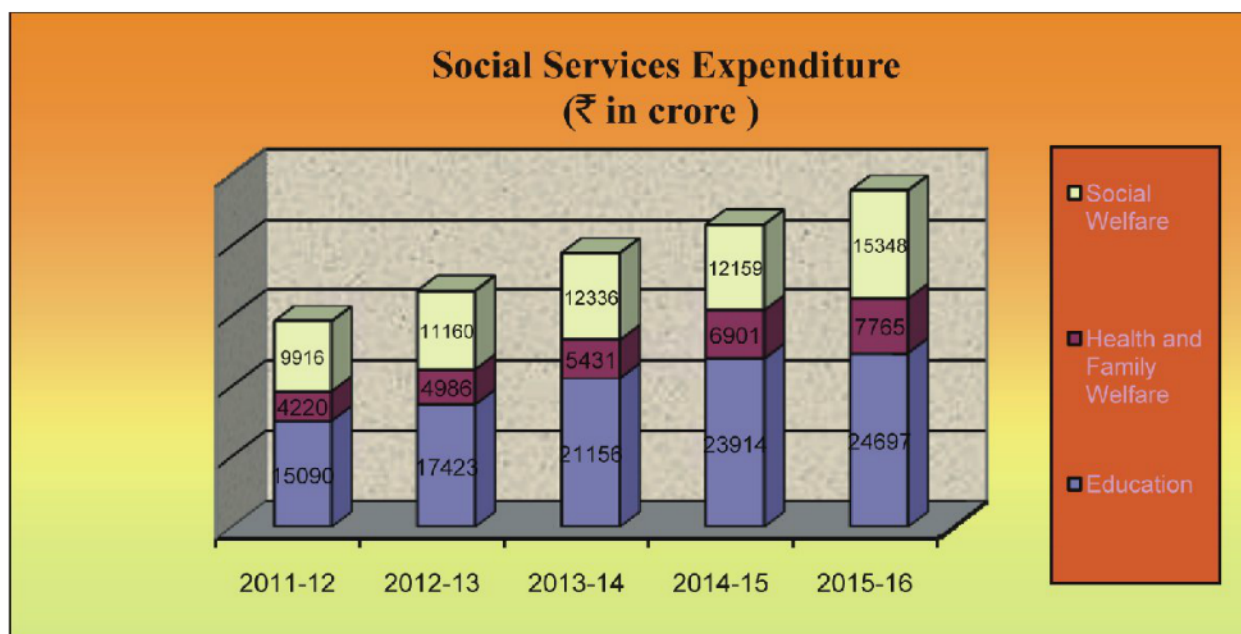
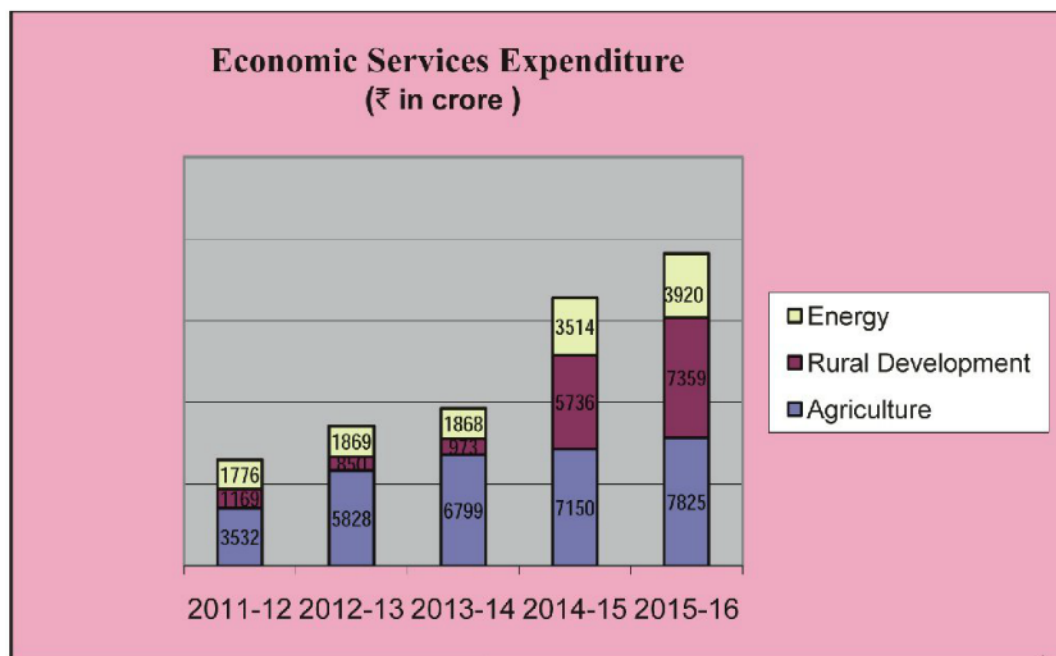


Chart 14



CHAPTER - IV

APPROPRIATION ACCOUNTS

4.1 Importance of Appropriation Accounts

The Appropriation Act passed by the State Legislature under Articles 204 and 205 of the Constitution of India provides the authority to the Government to withdraw specified sums from the Consolidated Fund of the State for specified activities of the State Government.

The Appropriation Accounts show that in the year 2015-16, there was an expenditure of ₹1,73,288 crore comprising of ₹1,45,112 crore Revenue Expenditure, ₹19,240 crore Capital Expenditure, ₹6,605 crore Repayment of Public Debt and ₹2,331 crore Loans and Advances. There was saving / excess under Revenue / Capital / Public Debt / Loans and Advances with reference to total grants allocated by the State Legislature.

4.2 Highlights of Appropriation Accounts

(₹ in crore)

Sl. No.	Nature of expenditure	Original grant (a)	Supple- mentary grant (b)	Total (c)	Actual expenditure (d)	Saving(-) Excess(+) (e)
1	Revenue Voted Charged	1,31,186 17,704	8,091 405	1,39,277 18,109	1,27,153 17,959	-12,124 -150
2	Capital Voted Charged	24,648 1	2,345 67	26,993 68	19,174 66	-7,819 -2
3	Public Debt Charged	7,556	..	7,556	6,605	-951
4	Loans and Advances Voted	3,201	709	3,910	2,331	-1,579
Total		1,84,296	11,617	1,95,913	1,73,288	-22,625

Though the ultimate saving in different Grants was ₹22,625 crore, ₹22,750 crore was surrendered by the departments at the end of the year indicating that the assessment of their requirement was not accurate.

4.3 Reconciliation between Appropriation Accounts and Finance Accounts

The actual expenditure fell short of the estimated expenditure by ₹22,625 crore as shown in the table below:

(₹ in crore)

Details	Budget Estimates	Actuals	Saving(-) / Excess (+)
Gross Expenditure (as per Appropriation Accounts)	1,95,913	1,73,288	(-) 22,625
Recoveries	1,928	4,363	(+) 2,435
Net expenditure (as per Finance Accounts)	1,93,985	1,68,925	(-) 25,060

4.4 Persistent Saving

There has been persistent saving of more than 5 per cent of total provision under Revenue grants/appropriations in 9 Departments during the past five years and in the current year 8 Departments where major persistent saving has occurred are listed below. Specific reasons for such savings (under spent) have not been communicated by these departments.

- ❖ Forests (Environment and Forests) Department (Grant No.54) - Saving in the grant was 35.98 per cent to total grant during the year 2015-16. The saving fluctuated between 5.04 per cent and 22.80 per cent during the preceding five years.
- ❖ Industries Department (Grant No.27) - Saving in the grant was 27.37 per cent to total grant during the year 2015-16. The saving fluctuated between 19.10 per cent and 96.30 per cent during the preceding five years.
- ❖ Governor and Council of Ministers (Grant No.2) - Saving in the grant was 22.88 per cent to total grant during the year 2015-16. The saving fluctuated between 6.40 per cent and 22.60 per cent during the preceding five years.

- ❖ Buildings - Public Works Department (Grant No.39) - Saving in the grant was 18.92 per cent to total grant during the year 2015-16. The saving fluctuated between 5.26 per cent and 11.20 per cent during the preceding five years.
- ❖ Backward Classes, Most Backward Classes and Minorities Welfare Department (Grant No.9) - Saving in the grant was 17.07 per cent to total grant during the year 2015-16. The saving fluctuated between 8.40 per cent and 13.52 per cent during the preceding five years.
- ❖ Municipal Administration and Water Supply Department (Grant No.34) - Saving in the grant was 15.74 per cent to total grant during the year 2015-16. The saving fluctuated between 11.40 per cent and 18.93 per cent during the preceding five years.
- ❖ Commercial Taxes Department (Grant No.10) - Saving in the grant was 12.65 per cent to total grant during the year 2015-16. The saving fluctuated between 15.10 per cent and 33.78 per cent during the preceding five years.
- ❖ Personnel and Administrative Reforms Department (Grant No.35) - Saving in the grant was 11.94 per cent to total grant during the year 2015-16. The saving fluctuated between 5.32 per cent and 11.70 per cent during the preceding five years.

There has been no instance of persistent excess to the end of 2015-16 in any grant/appropriation.



CHAPTER - V

ASSETS AND LIABILITIES

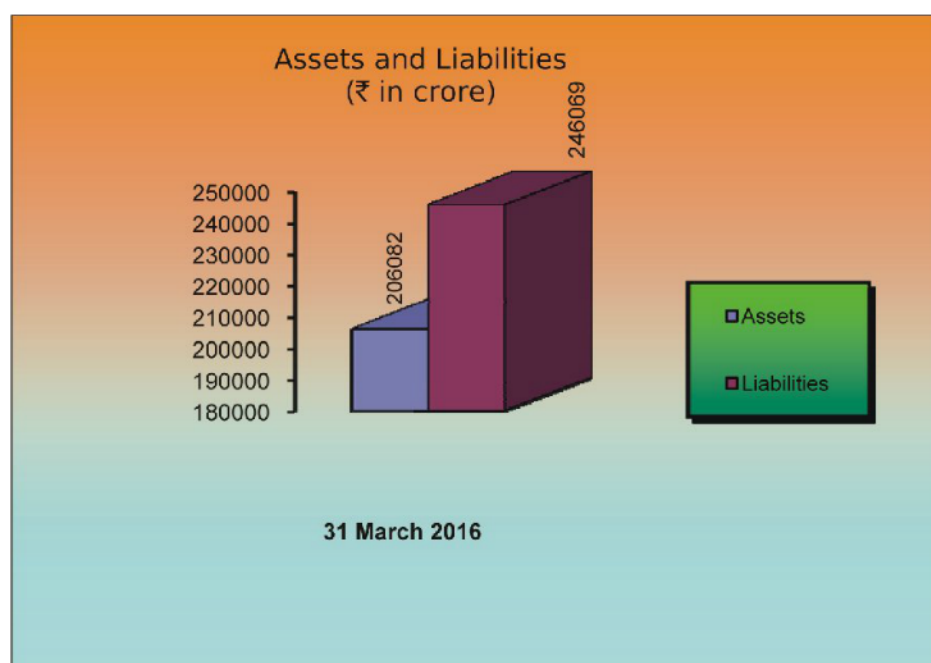
Government has valuable assets in the form of Land, Buildings and Factories, etc. Most of these assets of the Government do not easily lend themselves to an accurate valuation and Government accounts do not exhibit comprehensive value of fixed assets like Land, Buildings, etc. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred by the Government.

Assets and Liabilities and the Statement of Balances
(Position as on 31.03.2016)

Assets	₹ in crore	Liabilities	₹ in crore
Capital Expenditure			
General Services	7,364	Internal Debt	1,80,693
Social Services	46,956	External Debt	..
Economic Services	1,02,223	Loans from Central Government	13,403
Total	1,56,543	Small Savings	16,970
Loans and Advances		Reserve Fund	6,597
General Services	..	Others	26,588
Social Services	6,108	Other Receipts	1,780
Economic Services	15,143	Cash Balance	38
Total	21,251	Total	2,46,069
Cash Balance	..	Cumulative Resource Gap	39,987
Investments	28,288		
Total Assets	2,06,082	Resource Use	2,06,082

The following Chart shows the position of Assets and Liabilities as on 31 March 2016.

Chart 15



5.1 Assets

Out of the expenditure as on 31 March 2016, total investments as share capital in non-financial Public Sector Undertakings (PSU) was ₹25,725 crore.

1. Dividend received during the year was ₹141 crore (0.5 per cent on investment). During 2015-16, investments in PSUs increased by ₹2,660 crore and dividend income increased by ₹42 crore over the previous year.
2. The expenditure on capital account towards creation of assets was as follows: Transport: ₹42,168 crore, Water Supply and Sanitation and Housing and Urban Development: ₹33,572 crore, Irrigation and Flood Control: ₹12,506 crore, Agriculture and Allied Activities: ₹11,799 crore, Education, Sports, Art and Culture: ₹4,724 crore, Health and Family Welfare: ₹4,342 crore, Police: ₹3,417 crore, Public Works: ₹3,391 crore and on Other Departments: ₹38,861 crore.
3. The Cash Balance as on 31 March 2016 was (-) ₹38 crore and the cash balance investment was ₹9,416 crore. Other investments from out of earmarked funds were ₹18,872 crore.

5.2 Debt and Liabilities

Outstanding Public Debt at the end of 31 March 2016 was ₹1,94,096 crore, comprising of internal debt ₹1,80,693 crore and Loans and Advances from Central Government ₹13,403 crore. Other liabilities accounted under Public Account were ₹28,934 crore.

Liabilities of the State Government increased by ₹92,069 crore from ₹1,30,961 crore in 2011-12 to ₹2,23,030 crore during 2015-16. Public Debt comprising Internal Debt of the State Government and Loans and Advances from the Central Government increased by ₹90,096 crore from ₹1,04,000 crore in 2011-12 to ₹1,94,096 crore at the end of the current year.

Details of the Public Debt and total liabilities of the State Government as on 31 March of each year for the past five years are as follows:

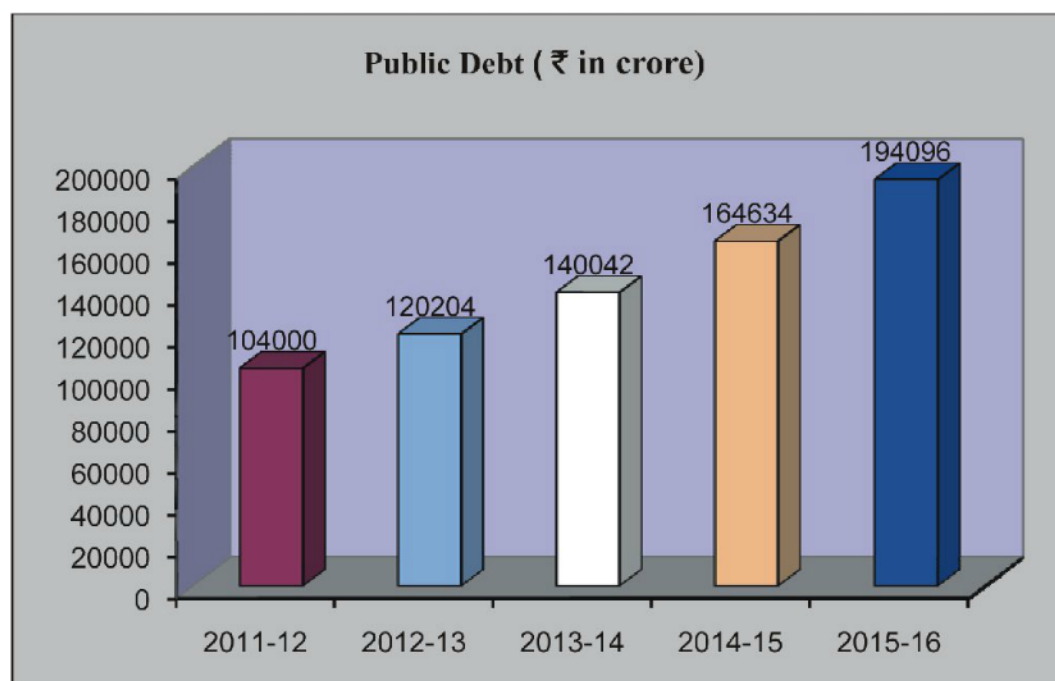
GSDP ₹12,12,668 crore

(₹in crore)

Year	Internal Debt	Loans and advances from Central Government	Total Public Debt	Small Saving	Provident Funds	Other Obligations *	Total Liabilities	Total Liabilities to GSDP (in per cent)
2011-12	94,012	9,988	1,04,000	276	11,137	15,548	1,30,961	20.5
2012-13	1,09,383	10,821	1,20,204	294	12,453	11,516	1,44,467	19.4
2013-14	1,27,906	12,136	1,40,042	314	13,695	16,200	1,70,251	19.9
2014-15	1,51,736	12,898	1,64,634	331	15,001	16,623	1,96,589	20.1
2015-16	1,80,693	13,403	1,94,096	357	16,613	11,964	2,23,030	18.4

* Includes Trusts and Endowments, Reserve Funds, Deposits, Suspense and Remittances.

Trend in Cumulative Public Debt (Progressive figures) in the past five years from 2011-12 to 2015-16 is depicted in Chart 16.

Chart 16

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, from time to time, fixed by the State Legislature. Under Article 293 (3), the State Government can raise loans only with the consent of Government of India, if any loan is outstanding or if there is any outstanding loan for which Government of India has stood guarantee. The Government of India had consented to the State Government for raising open market borrowings upto ₹29,775 crore during 2015-16.

5.3 Public Account

The State Government also acts as a banker and trustee in respect of the amounts under Small Savings Collections, Provident Funds and Deposits. There was an overall increase of ₹1,733 crore in respect of such liabilities of State Government during 2015-16 and the balance to the end of the year was ₹19,540 crore, as indicated in the table below:

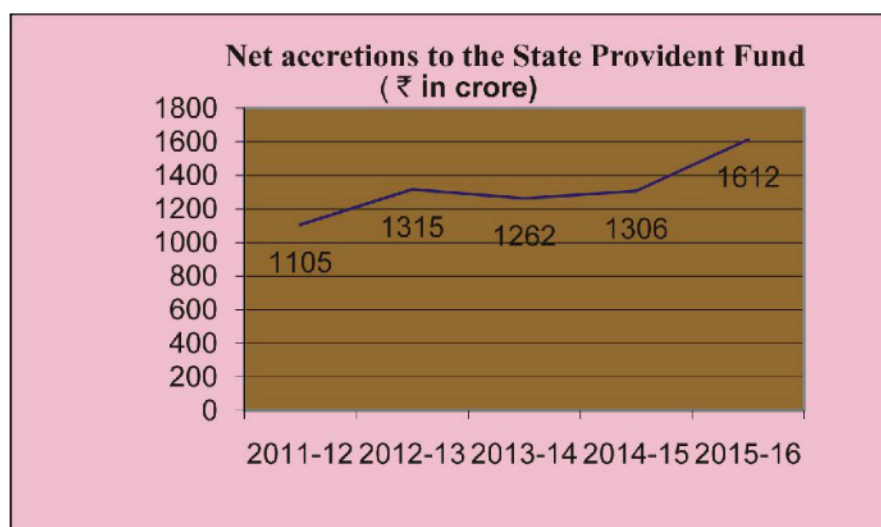
(₹ in crore)

Year	Opening Balance	Receipts	Payments	Closing Balance
2011-12	10,411	30,810	27,970	13,251
2012-13	13,251	34,976	30,438	17,789
2013-14	17,789	40,440	40,870	17,359
2014-15	17,359	59,001	58,553	17,807
2015-16	17,807	80,444	78,711	19,540

5.3.1 State Provident Fund

Receipts were more than the payments during the years 2011-12 to 2015-16 resulting in affirmative accretion to the Fund as shown in Chart 17.

Chart 17



5.4 Interest Payments

Interest payments on debt and other liabilities totalling ₹17,391 crore constituted 12.3 per cent of revenue expenditure of ₹1,40,993 crore. Interest payments on Public Debt were ₹14,682 crore (₹14,211 crore on Internal Debt and ₹471 crore on Loans and Advances from Central Government) and ₹2,709 crore on other Liabilities (Charts 18 and 19). Expenditure on account of Interest Payments increased by ₹2,841 crore during 2015-16.

Chart 18

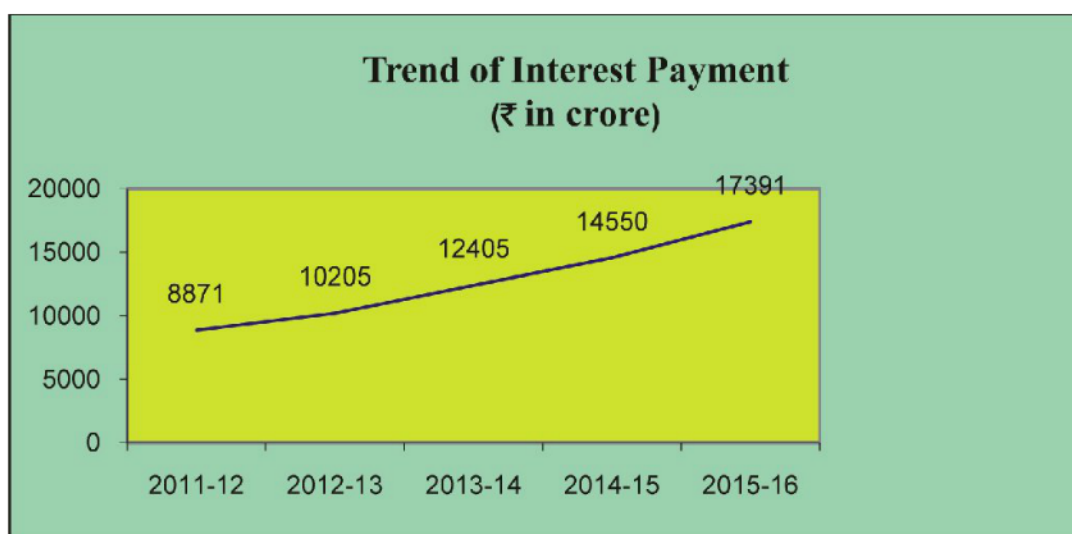
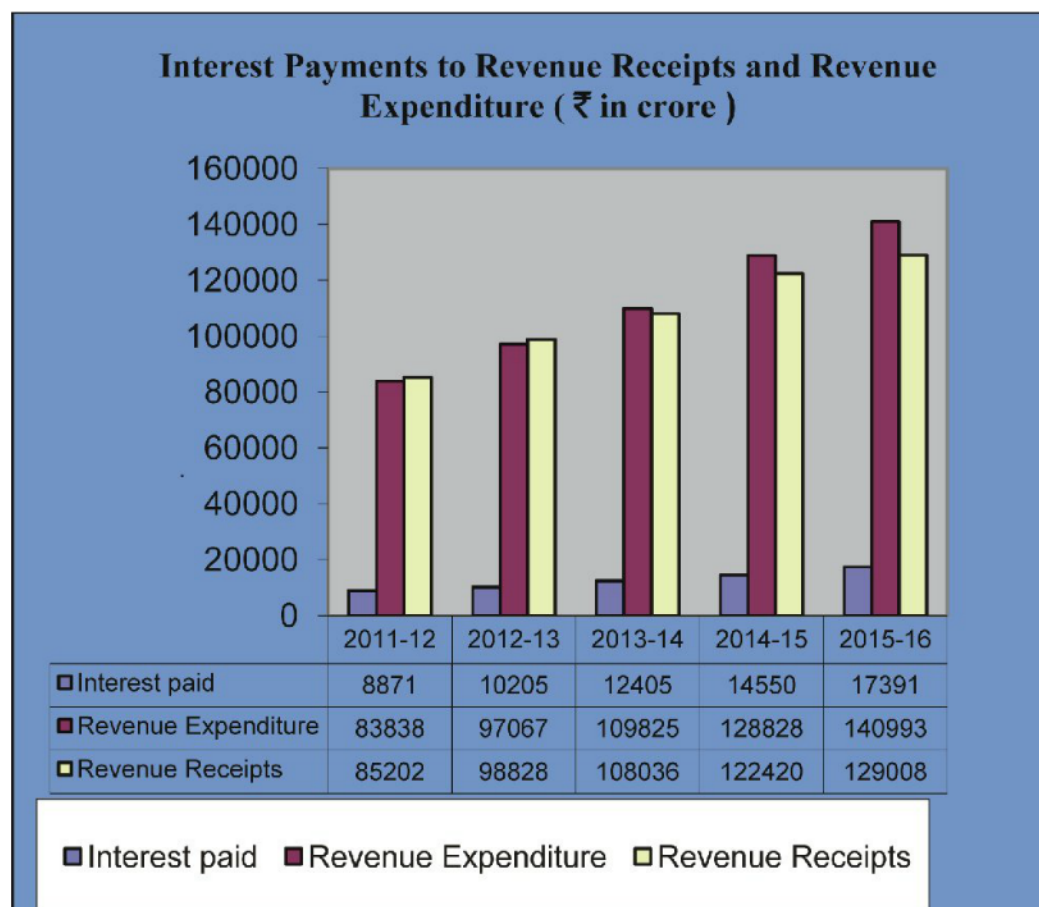


Chart 19



5.5 Utilisation of Borrowed Funds

The new debt contracted during the year 2015-16 was ₹36,066 crore constituting 21.8 per cent of the total receipts of ₹1,65,758 crore (Revenue Receipts: ₹1,29,008 crore and Capital Receipts: ₹36,750 crore). The borrowings were mainly for repayment of old debt and payment of interest thereon. The position representing new debt contracted and repayment of old debt for the three years is indicated below:

Year	New Debt Contracted (₹ in crore)	New Debt to Total Debt at the end of the year (in per cent)	Repayment of old debt to Total Debt (in per cent)
2013-14	24,815	17.7	3.4
2014-15	31,080	18.9	4.1
2015-16	36,066	18.6	3.5

The interest paid for repayment of debt during the year was ₹14,682 crore while it was ₹2,709 crore towards other obligations.

5.6 Ways and Means Advances

A State Government, may in order to maintain and sustain its liquidity position, obtain Ways and Means Advances from the Reserve Bank of India and thereafter, draws upon the overdraft facility whenever there is shortfall in the agreed minimum cash balance in its account with the Reserve Bank of India. The Government of Tamil Nadu is required to maintain a minimum cash balance of ₹325 lakh with Reserve Bank of India on a daily basis. There was no occasion for resorting to Ways and Means Advances or drawal of Overdraft from 2011-12 to 2015-16.

The position in this regard for the past five years is as under:

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
i) Number of days on which minimum balance was maintained					
a) Without obtaining any advance	366	365	365	365	366
b) By obtaining Normal Ways and Means Advances	--	--	--	--	..
c) By obtaining Special Ways and Means Advances	--	--	--	--	..
Total	366	365	365	365	366
ii) Number of days on which overdraft was taken	--	--	--	--	..

5.7 Guarantees

The position of guarantees by the State Government for the payment of Loans and Capital raised by Statutory Corporations and Boards, Government Companies, Co-operative Institutions, etc. is given below. From the year 2012-13 the figures furnished by the Government form the basis while for the previous years the figures represent those received from the Institutions.

(₹ in crore)

At the end of the year	Amount Guaranteed (Principal only)	Amount outstanding
		Principal
2011-12	7,127	9,751
2012-13	...	24,070
2013-14	...	49,499
2014-15	...	53,698
2015-16	...	51,586

CHAPTER - VI

OTHER ITEMS

6.1 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 31 March 2016 was ₹21,935 crore. Recovery of principal amount aggregating to ₹21,251 crore was outstanding at the end of 31 March 2016.

Total Loans and Advances to Government Corporations / Companies, Non-Government Institutions, Local Bodies, Co-operatives, etc., at the end of 31 March 2016 was ₹15,024 crore. The recovery of principal amounting to ₹14,832 crore was in arrears at the end of March 2016.

6.2 Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the departmental figures with the figures in the books of Accountant General (Accounts & Entitlements). Further, the reconciliation of accounts figures is to be done monthly. Before annual accounts are finalised, the Departments reconcile their account figures with those booked in accounts compiled by the Accountant General (Accounts & Entitlements). For the year 2015-16, 97.3 per cent reconciliation has been completed for expenditure and 97.4 per cent for receipts.

6.3 General Cash Balances

The closing cash balance according to the Reserve Bank of India was ₹48.00 crore (Net debit) against the general cash balance of ₹54.51 crore (Net credit) reflected in State Government accounts. Following subsequent reconciliation, the net difference for the year stood at ₹6.51 crore (net credit).



Cash in Treasuries and Remittances in Transit amounted to ₹17 crore. Investments held in the Cash Balance Investment Account as on 31 March 2016 were ₹9,416 crore. Other cash balances and investments comprising cash with departmental officers (₹4 crore), Permanent Advances with departmental officers (₹8 crore) and Investment of earmarked funds (₹18,862 crore) as on 31 March 2016 amounted to ₹18,874 crore.

The closing Cash Balance of the State Government increased from (-) ₹39 crore of the previous year to (-) ₹38 crore as on 31 March 2016.



**© COMPTROLLER AND
AUDITOR GENERAL OF INDIA
2016
www.cag.gov.in**

www.agae.tn.nic.in

