

GOVERNMENT OF TAMILNADU

**ACCOUNTS AT A GLANCE
2008-2009**

**ACCOUNTANT GENERAL
(Accounts and Entitlements)**

TAMILNADU, CHENNAI - 600 018

PREFACE

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

The Annual Accounts (Finance Accounts and Appropriation Accounts) of the State Government 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 before 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. While it has been our endeavor to rely on the figures in the certified Finance Accounts and Appropriation Accounts, the certified annual accounts only should be referred to for authentic figures.

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

(K. SRINIVASAN)
ACCOUNTANT GENERAL (A&E)

Place : Chennai
Date : 16-04-2010

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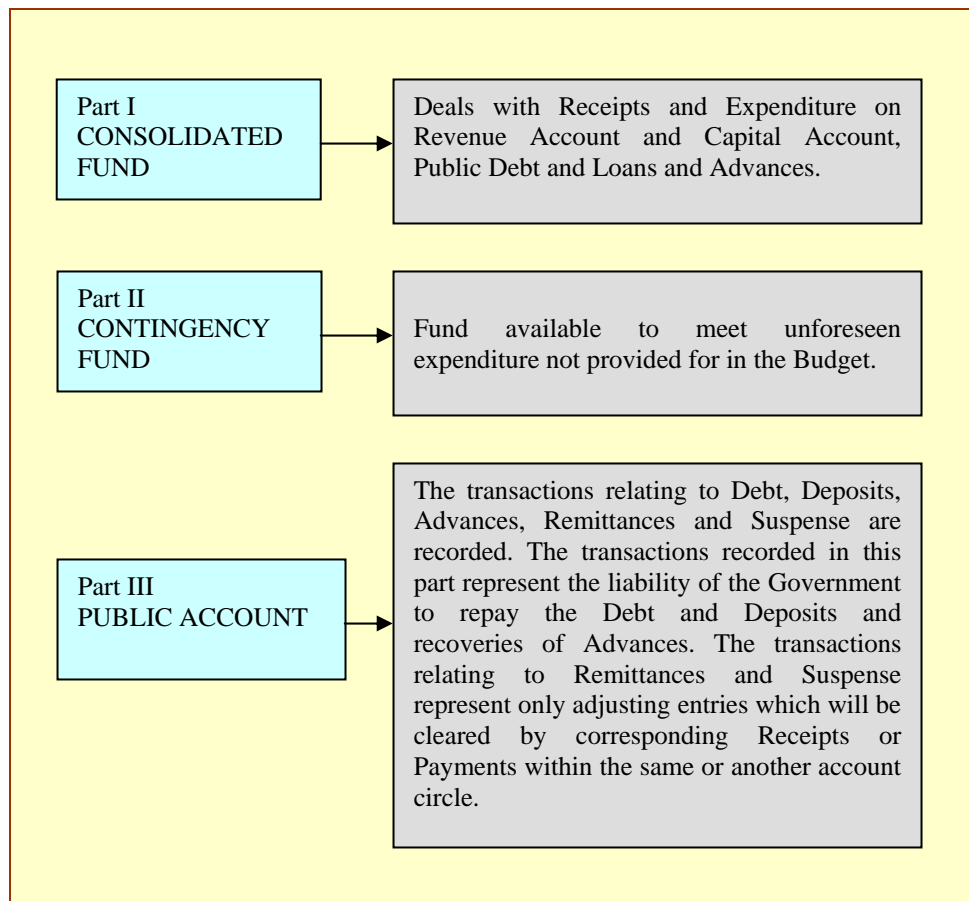
CHAPTER - 1 OVERVIEW

1.1 Introduction

The monthly accounts of the State Government are compiled and consolidated from the accounts submitted by the District Treasuries, Public Works and Forest Divisions, etc. to the Accountant General (Accounts and Entitlements). Besides, the Finance Accounts and Appropriation Accounts are prepared annually by the Accountant General (A&E) 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

The accounts of Government are kept in three parts:



Part I Consolidated Fund: During 2008-2009 total receipts amounted to Rs. 65524 crore comprising Rs. 55042 crore revenue receipts (Rs. 42195 crore Tax revenue, Rs. 5712 crore Non-Tax revenue and Rs.7135 crore Grants-in-aid and Contributions) and Rs. 10482 crore capital receipts.

Disbursements during the year were Rs. 65524 crore comprising Rs. 53590 crore (81.8%) on revenue account and Rs. 11934 crore (18.2%) on capital account.

Part II Contingency Fund: The Government has a Contingency Fund of Rs.150 crore. During the current year Rs.101.44 crore was drawn from the Fund and an amount of Rs.0.51 crore remains to be recouped to the Fund. The expenditure incurred from the Fund to an extent of Rs.100.93 crore had been transferred to the Consolidated Fund.

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

Finance Accounts

Finance Accounts present the accounts of 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 concerned as worked out from the balances recorded in the accounts.

Appropriation Accounts

Appropriation Accounts bring out the expenditure of the State Government incurred from the Consolidated Fund against amounts voted by the State Legislature and amounts charged on the Consolidated Fund of the State and supplement the Finance Accounts. These comprise accounts of 49 charged Appropriations and 51 voted Grants.

Appropriation Acts 2008 - 2009 had projected for a gross expenditure of Rs.76523 crore, including the Supplementary Grants totaling Rs. 9367 crore, voted by State Legislature during the year. An amount of Rs.1016 crore was projected as recoveries in reduction of expenditure.

Appropriation Accounts 2008-2009 showed disbursements aggregating Rs. 69212 crore against the aggregate budget provision of Rs. 76523 crore, resulting in net saving of Rs.7311 crore against Grants and Appropriations.

Recoveries in reduction of expenditure amounted to Rs. 1472 crore reflecting an increase of Rs.456 crore vis-a-vis Budget Estimate of Rs. 1016 crore.

1.4 Sources and Application of Funds

During the year 2008-2009, Government raised revenue of Rs. 56976 crore and debt of Rs. 11841 crore. Total funds received in the Consolidated Fund of the state were Rs. 68817 crore. Out of this, Rs. 2216 crore was utilised to repay past debt and Rs. 65524 crore was spent in Government activities. This resulted in a surplus of Rs. 1077 crore on Consolidated Fund of the State which together with the deficit of Rs. 399 crore on Public Account, increased the Government Balance by Rs. 678 crore.

Sources and Application of Funds

| | | PARTICULARS | AMOUNT |
|---------------------------|--|--------------------------------|--------------|
| SOURCES (Rs. in crore) | | Revenue Receipts | 55042 |
| | | Recovery of loans and advances | 1934 |
| | | Miscellaneous Capital Receipts | Nil |
| | | Public Debt | 11841 |
| | | TOTAL | 68817 |

| | | PARTICULARS | AMOUNT |
|-------------------------------|--|--------------------------|--------------|
| APPLICATION (Rs. in crore) | | Revenue Expenditure | 53590 |
| | | Loans given | 2830 |
| | | Capital Expenditure | 9104 |
| | | Repayment of Public Debt | 2216 |
| | | Public Account | 399 |
| | | Cash Increase | 678 |
| | | TOTAL | 68817 |

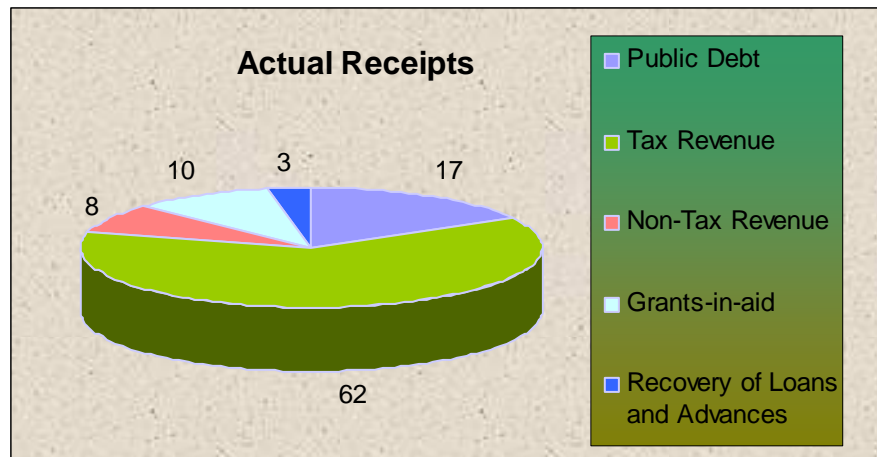
The net receipts were sufficient to meet only 95% of the total expenditure, leaving a fiscal deficit of Rs. 8548 crore. The Revenue Surplus for the year was Rs. 1452 crore. In terms of GSDP, Fiscal Deficit was 2.5% of GSDP and Revenue Surplus was 0.4% of GSDP.

1.4.1 Sources of Financing the Deficit

The deficit of Rs. 8548 crore was financed mainly from Public Debt which led to a surplus cash balance of Rs. 678 crore.

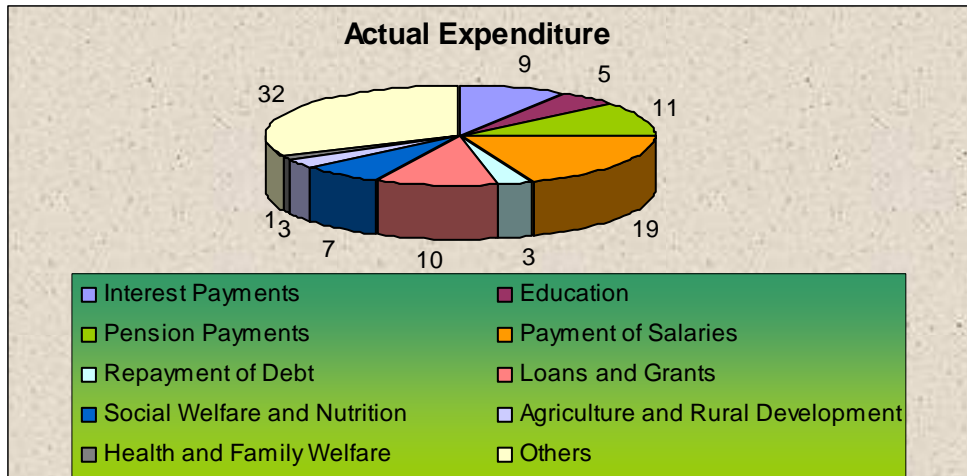
1.4.2 Where the Rupee came from?

The total expenditure for the year 2008-2009 was Rs. 68138 crore. Every rupee spent was met by raising Public Debt (17 paise), Revenue Receipts (80 paise), and Recovery of Loans and Advances (3 paise). Revenue Receipts (80 paise) consist of Tax Revenue (62 paise), Non-Tax Revenue (8 paise) and Grants-in-aid from Central Government (10 paise). The cumulative Public Debt at the end of 2008-2009 stood at Rs. 66809 crore (discussed at Para 5.2). The main sources of funds were Borrowings, Tax Revenue, Non-tax Revenue, Grants-in-aid and Public Account as shown below.



1.4.3 Where the Rupee went?

Based on the purpose of expenditure, it was classified into General Services, Social Services and Economic Services. Out of every rupee spent, 9 paise was for Interest Payments, 5 paise for Education, 11 paise for Pension Payment, 19 paise for payment of salaries, 3 paise for repayment of Debt, 10 paise for Loans and Grants, 7 paise for Social Welfare and Nutrition, 3 paise for Agriculture and Rural Development, 1 paise for Health and Family Welfare and the balance 32 paise for other expenditure.



1.5 Deficit - What do they indicate?

Deficits in Government represent gaps between the revenue and expenditure. The kind of deficit, the ways of financing the deficit and application of funds are important indicators of the prudence of financial management in Government.

A. Revenue Deficit:- Revenue Expenditure minus Revenue Receipt

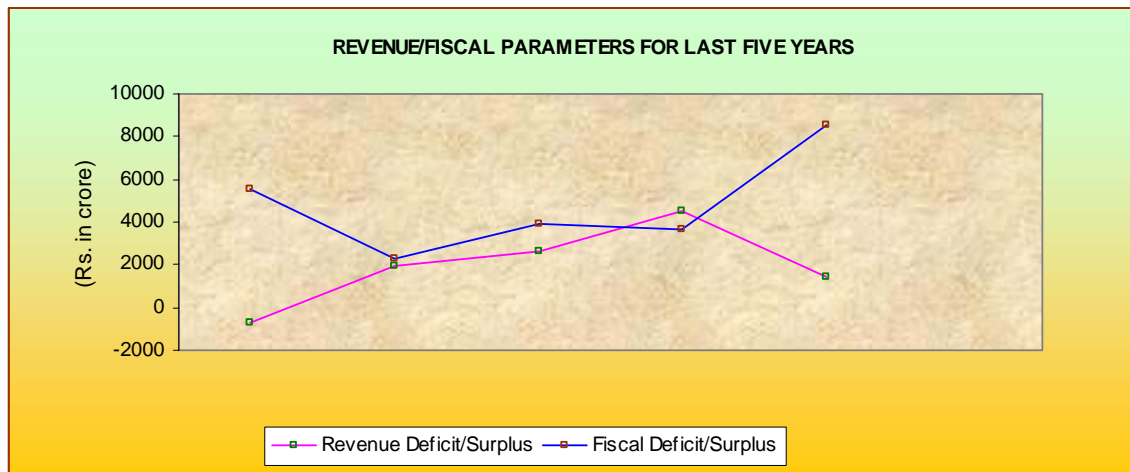
As per the traditional theory of financial management, revenue expenditure is required to maintain the existing establishment of Government and should be met out of revenue receipts. During the year 2008-2009 Revenue Account resulted in a surplus of Rs. 1452 crore.

B. Fiscal Deficit:- Total Expenditure minus Total Receipts (Revenue Receipts plus Capital Receipts excluding liabilities)

It is a measure of total expenditure which is financed by borrowings. During the year 2008-2009 Fiscal Deficit comprising of Borrowings and other Liabilities was Rs. 8548 crore.

1.5.1 Trend of Revenue Deficit / Surplus and Fiscal Deficit for the last five years :

| Revenue/Fiscal Parameters | | | | |
|---------------------------|---------------------------------------|-------------------------|--------------------------------------|------------------------|
| Year | Revenue Deficit/Surplus (Rs.in crore) | Revenue Deficit to GSDP | Fiscal Deficit/Surplus (Rs.in crore) | Fiscal Deficit to GSDP |
| 2004-2005 | -703 | -0.37 | -5570 | -2.95 |
| 2005-2006 | +1951 | +0.94 | -2251 | -1.08 |
| 2006-2007 | +2648 | +1.0 | -3956 | -1.6 |
| 2007-2008 | +4545 | +1.6 | -3685 | -1.3 |
| 2008-2009 | +1452 | +0.4 | -8548 | -2.5 |



The Revenue Deficit occurred till 2004-2005 had become Revenue Surplus from 2005-2006 onwards. This was due to increase in Tax Revenue in 2005-2006 and 2006-2007, increase in Grants-in-Aid and contributions in 2007-2008 and increase in Non-Tax Revenue and Grants-in-Aid in 2008-2009. The Revenue Surplus for 2008-2009 was Rs.1452 crore constituting 0.4% of GSDP.

The Fiscal Deficit of the State increased from Rs. 3685 crore in 2007-2008 to Rs. 8548 crore in 2008-2009.

The Fiscal Deficit for 2008-2009 was Rs. 8548 crore constituting 2.5 % of GSDP. As per Tamil Nadu Fiscal Responsibility Act, 2003, the Government has committed to reduce the ratio of fiscal deficit to Gross Domestic Product every year by 0.25 percent to 0.30 percent. In the year 2007-2008, the norms as per Tamil Nadu Fiscal Responsibility Act,

2003 has been achieved. However, in 2008-2009, the fiscal deficit had increased by 1.5 per cent as compared to 2007-2008.

1.6 HIGHLIGHTS OF ACCOUNTS

| (Rs.in crore) | | | | |
|---------------|--|---------------|---------|----------------|
| Sl. No. | Particulars | B.E 2008-2009 | Actuals | Actuals to B.E |
| 1 | Tax Revenue | 42653 | 42195 | 98.93% |
| 2 | Non-Tax Revenue | 3277 | 5712 | 174.31% |
| 3 | Grants-in-aid & Contributions | 5576 | 7135 | 127.96% |
| 4 | Total Revenue Receipts | 51506 | 55042 | 106.87% |
| 5 | Recovery of Loans & Advances | 1155 | 1934 | 167.45% |
| 6 | Other Receipts | .. | .. | .. |
| 7 | Borrowings and other liabilities (B) | 9792 | 8548 | 87.30% |
| 8 | Total Capital Receipts (A) | 10947 | 10482 | 95.75% |
| 9 | Total Receipts | 62453 | 65524 | 104.92% |
| 10 | Expenditure on Revenue Account | 51422 | 53590 | 104.22% |
| 11 | Expenditure on Capital Account (C) | 11031 | 11934 | 108.19% |
| 12 | Total Expenditure | 62453 | 65524 | 104.92% |
| 13 | Revenue Deficit $(-)(10-4)$ / Revenue Surplus $(+)$ $(4-10)$ | (+)84 | (+)1452 | |
| 14 | Fiscal Deficit $(4+5+6-12)$ | (-)9792 | (-)8548 | |

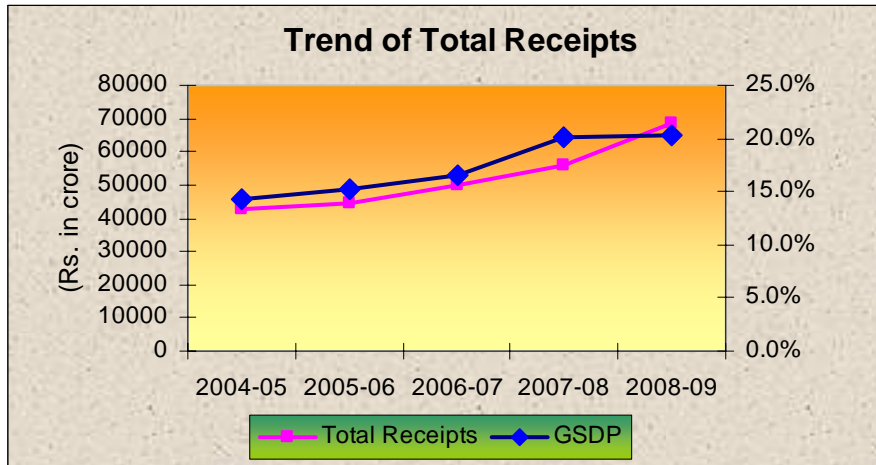
- (A) Capital Receipts: Recovery of Loans and Advances + Other Receipts+ Borrowings and Other Liabilities.
- (B) Borrowings and Other Liabilities: Net (Receipts – Disbursements) of Public Debt + Net of Contingency Fund + Net(Receipts – disbursements) of Part III. Public Account + Net of Opening and Closing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

GSDP: 339212 crore.

CHAPTER - 2 RECEIPTS

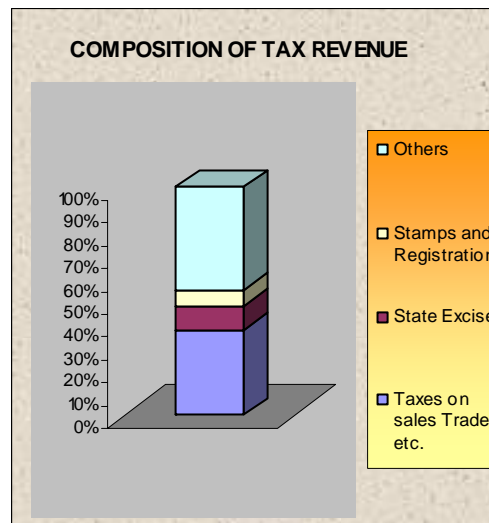
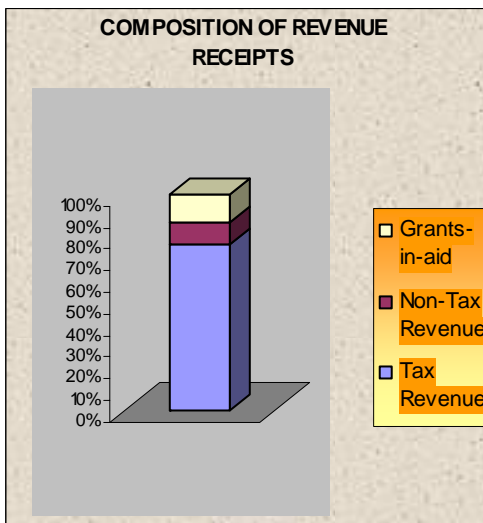
2.1 Introduction

Total receipts for the current year were Rs. 68817 crore (Revenue Receipts Rs. 55042 crore and Capital Receipts Rs. 13775 crore). Based on its source, receipts of Government are classified into Revenue Receipts and Capital Receipts.



2.2 Revenue Receipts

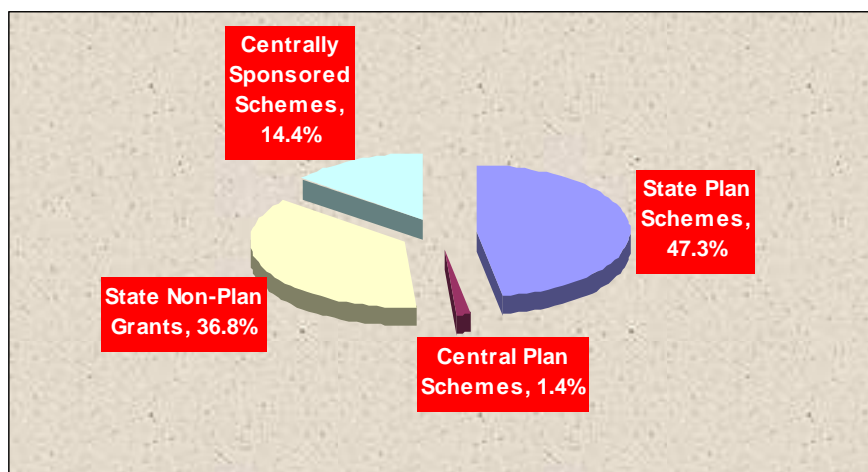
Tax Revenue of Rs. 42195 crore and Non-Tax Revenue of Rs. 5712 crore formed 12.4 per cent and 1.7 per cent respectively of the GSDP. Revenue receipts include Rs. 7135 crore received from Government of India as Grants-in-aid. Major contributors to revenue receipts were (i) Taxes on Sales, Trade, etc. (Rs. 20675 crore – 37.6 %), (ii) State Excise (Rs. 5756 crore – 10.5%) and (iii) Stamps and Registration Fees (Rs. 3794 crore – 6.9%).



Tax Revenue during the year was less than the Budget Estimate by Rs. 458 crore, the decrease being mainly under Corporation Tax, Stamp and Registration Fees, etc. Non-tax revenue during the year were higher than the Budget Estimate by Rs. 2435 crore, mainly on account of more collection under Interest Receipts, General Services and Social Services.

2.3 Grants-in-aid/Central assistance

This represents assistance received from GOI 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 Commission. The total receipts during the year 2008-2009 were Rs. 7135 crore as shown below.



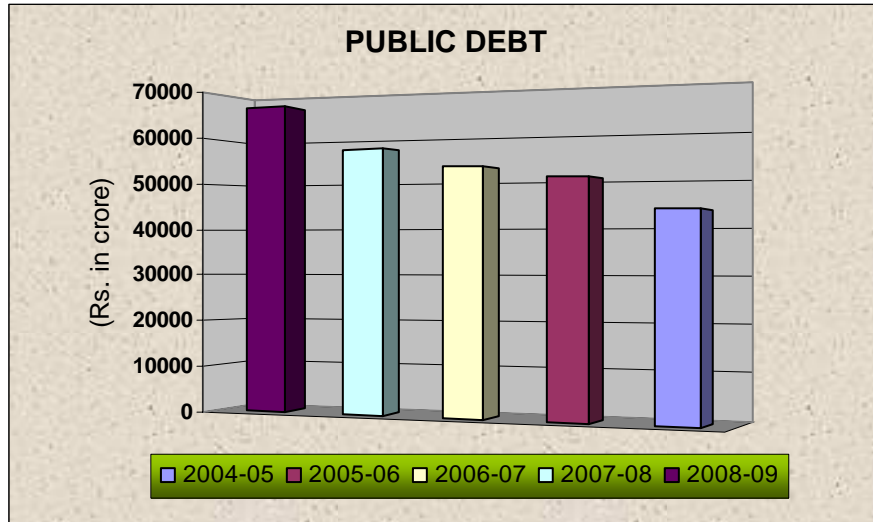
2.4 Capital Receipts

The Capital Receipts are mainly borrowings, recoveries of loans and advances made by Government and miscellaneous Capital Receipts. The composition of the capital receipts for the year are as shown below.

(Rs.in crore)

| Item | Amount | % |
|--|--------------|--------------|
| A. Public Debt | 11841 | 86.0 |
| 1. Internal Debt | 10798 | 78.4 |
| 2. Govt. of India Loans and Advances | 1043 | 7.6 |
| B. Recovery of Loans and Advances | 1934 | 14.0 |
| Total | 13775 | 100.0 |

2.5 Trend in Public Debt for the past five years



CHAPTER - 3 EXPENDITURE

3.1 Introduction

The expenditure of the Government consists of Revenue Expenditure and Capital Expenditure. Based on the purpose and nature of expenditure these are further segregated into Plan and Non-plan.

3.2 Revenue Expenditure

This represents the amount spent on payment of interest (Rs. 5963 crore), payment of Pension (Rs. 7735 crore), payment of salaries (Pay Rs. 7255 crore and DA Rs.5545 crore), expenditure on education (Rs. 3681 crore), expenditure on Health and Family Welfare (Rs. 670 crore), expenditure on Social Welfare and Nutrition (Rs. 4599 crore) and others (Rs.18142 crore). Revenue Expenditure (Rs. 53590 crore) were 15.8 per cent of GSDP. It was more than Budget Estimate by Rs. 2168 crore (Rs. 1933 crore under Non-Plan and Rs. 235 crore under Plan).

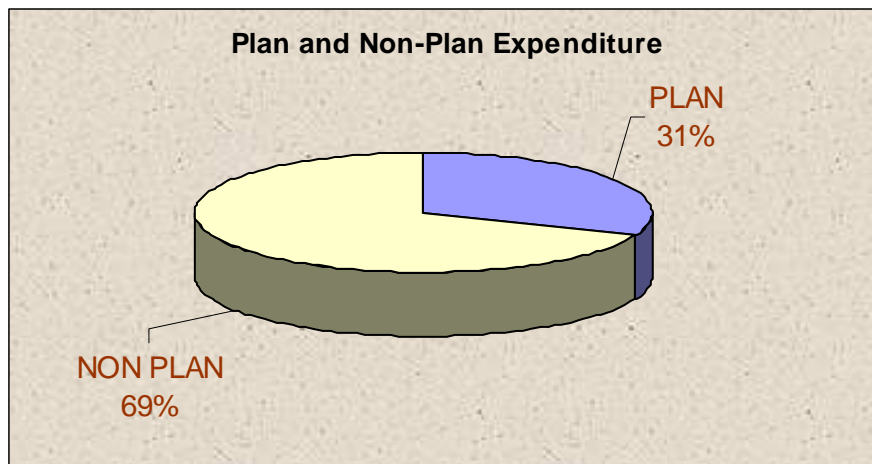
3.2.1 Plan Expenditure

During the year 2008-2009, Plan Expenditure, representing 31 per cent of total disbursements, were Rs. 20519 crore (Rs. 19392 crore under State Plan, Rs. 719 crore under Centrally Sponsored Plan, Rs. 404 crore under Schemes financed by Autonomous Bodies) and Rs. 4 crore under schemes shared between State and Centre.

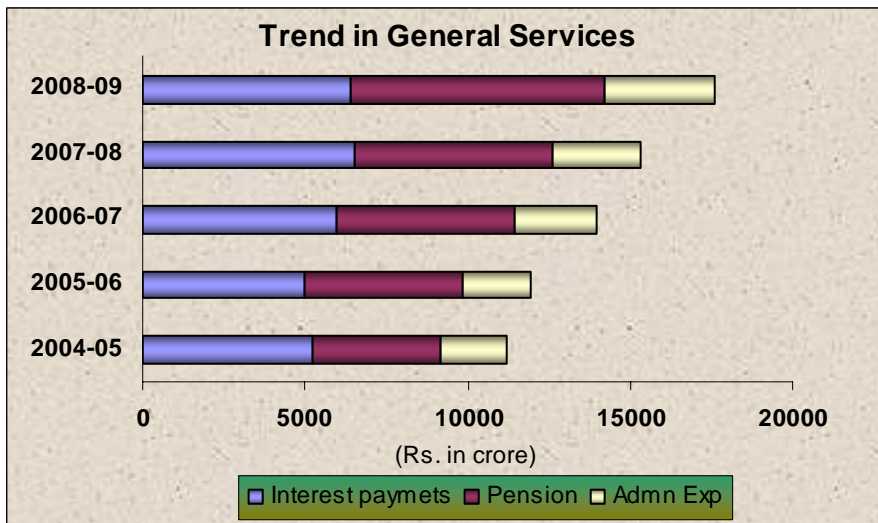
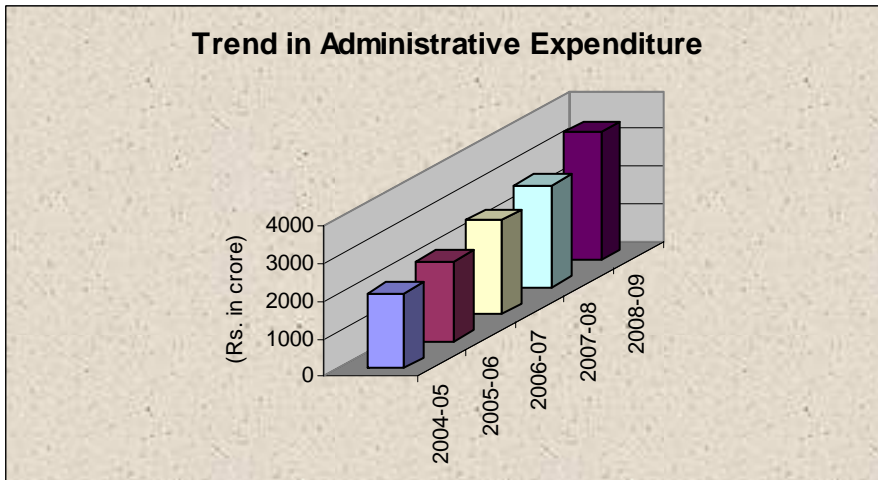
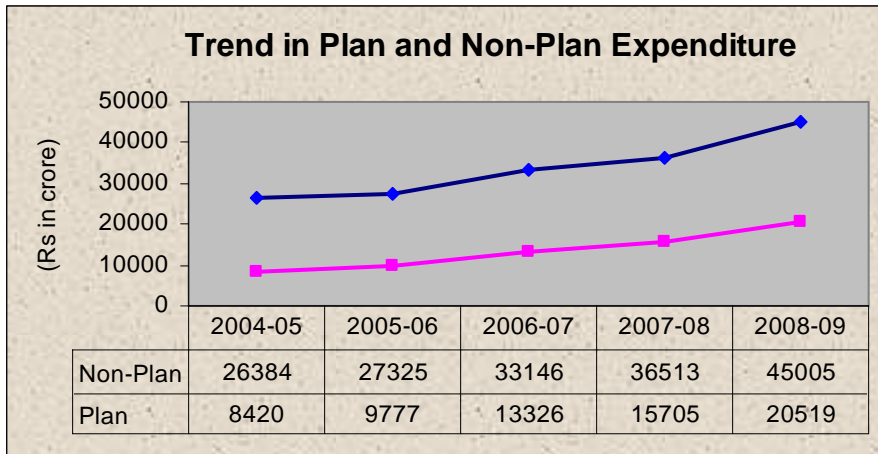
3.2.2 Non-Plan Expenditure

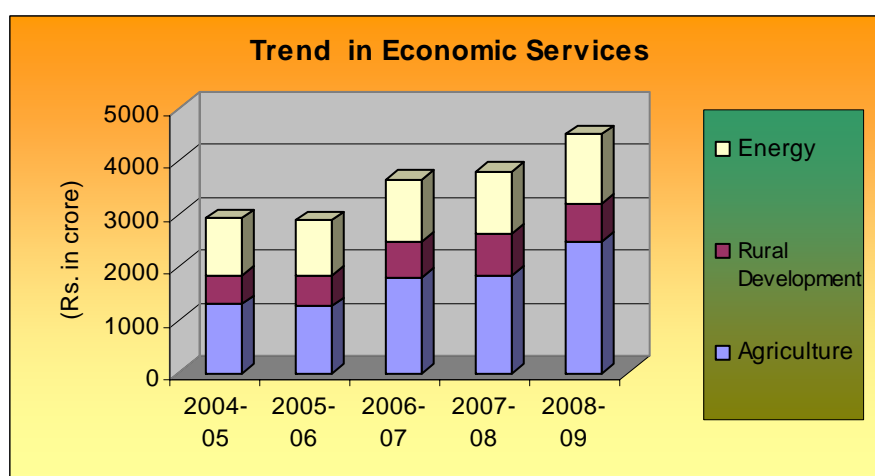
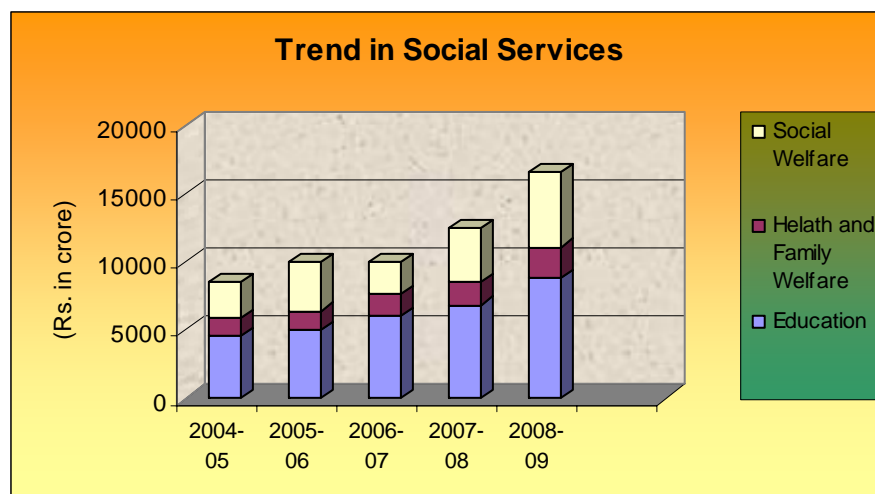
Non-Plan Expenditure during 2008-2009, representing 69 per cent of total disbursements were Rs. 45005 crore, consisting of Rs. 43052 crore under Revenue and Rs. 1953 crore under Capital.

The pie-chart below shows the distribution of Expenditure under Plan and Non-Plan (Revenue and Capital) for the current year:



3.2.3. Trend in plan and non-plan expenditure, administration, general, social and economic expenditure for the past five years from 2004-2005 and 2008-2009 are depicted below:





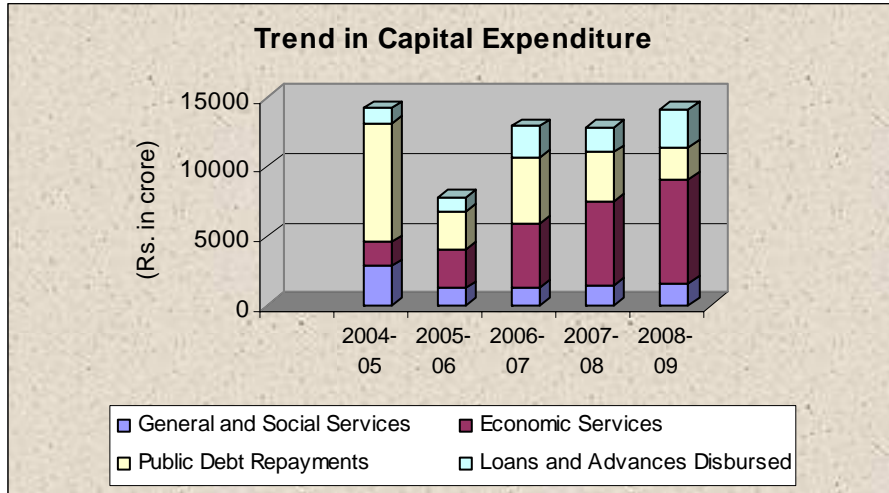
3.3 Capital Expenditure

Expenditure incurred to create durable assets of material and permanent character or to liquidate liabilities. The capital expenditure during the year was Rs. 14150 crore.

SECTOR-WISE CAPITAL EXPENDITURE

| Sector | Amount (Rs. in crore) | % |
|---|--------------------------|--------------|
| 1. General Services - Police, Public Works etc. | 230 | 1.6 |
| 2. Social Services - Education, Health and Family Welfare, Water Supply, Welfare of SC/STs etc. | 1434 | 10.1 |
| 3. Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc. | 7440 | 52.6 |
| 4. Repayment of Public Debt | | |
| (a) Internal Debt | 1897 | 13.4 |
| (b) Loans from Central Government | 319 | 2.3 |
| 5. Loans and Advances Disbursed | 2830 | 20.0 |
| Total | 14150 | 100.0 |

Out of the total Capital expenditure, 1.6% was spent under General Services, 10.1 % under Social Services, 52.6 % under Economic Services, 15.7 % for repayment of Public Debt and 20 % for disbursement of Loans and Advances during the year 2008-2009.



Compared to the previous year there was increase in Capital Expenditure on Social and Economic Services.

CHAPTER - 4

APPROPRIATION ACCOUNTS

4.1 Importance of Appropriation Accounts

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 the specified activities of the State Government.

The Appropriation Accounts show that in the year 2008-2009, there was actual expenditure of Rs. 69212 crore, comprising Rs. 55018 crore Revenue Expenditure, Rs. 9148 crore Capital Expenditure, Rs. 2216 crore Repayment of Debt and Rs. 2830 crore Loans and Advances. There were 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

| Sl. No | Nature of expenditure | Original grant (a) | Supplementary grant (b) | Total (c) | Actual expenditure (d) | Saving(-) (e) |
|-------------------|--------------------------------|-----------------------|----------------------------|---------------|---------------------------|------------------|
| (Rupees in crore) | | | | | | |
| 1 | Revenue Voted Charged | 45915 6510 | 6099 107 | 52014 6617 | 48496 6522 | -3518 -95 |
| 2 | Capital Voted Charged | 9379 6 | 1981 8 | 11360 14 | 9144 4 | -2216 -10 |
| 3 | Public Debt Charged | 3688 | .. | 3688 | 2216 | -1472 |
| 4 | Loans and Advances Voted | 1658 | 1172 | 2830 | 2830 | .. |
| Total | | 67156 | 9367 | 76523 | 69212 | -7311 |

Out of the ultimate saving of Rs. 7311 crore, Rs. 5257 crore was surrendered by the departments at the end of the year resulting in the assessment of the requirement not having been made properly. The amount could have been utilised by needy areas had the surrenders were anticipated and made earlier.

4.3 Actual expenditure - Reconciliation between Appropriation Accounts and Finance Accounts

The actual expenditure fell short of the estimated expenditure by Rs. 7311 crore.

(Rs. in crore)

| Details | Budget Estimates | Actual Expenditure | Saving |
|---|------------------|--------------------|--------|
| Gross Expenditure (as per Appropriation Accounts) | 76523 | 69212 | -7311 |
| Recoveries | 1016 | 1472 | +456 |
| Net expenditure (as per Finance Accounts) | | 67740 | |

4.4 Persistent Saving

Details of persistent saving on a few selected grants/appropriations during 2008-2009 and for the past four years are given below:

- ❖ Adi-Dravidar and Tribal Welfare Department - Saving in the Revenue grant was 6.5% to total grant and the saving fluctuated between 3.7% to 9.4% during the past four years.
- ❖ Health and Family Welfare Department - Saving in the Revenue grant was 6.6% to total grant and the saving fluctuated between 6.2% to 15.0% during the past four years.
- ❖ Home Department–Police - Saving in the Revenue grant was 8.0% to total grant and the saving fluctuated between 5.2% to 15.7% during the past four years.
- ❖ Public Works Department –Irrigation - Saving in the Capital grant was 51.4% to total grant and the saving fluctuated between 12.8% to 42.7% during the past four years.
- ❖ Highways Department - Saving in the Capital Grant was 8.3% to total grant and the saving fluctuated between 9% to 38.4% during the past four years.

There is no case of occurrence of persistent excess to end of 2008-2009 in any grant/appropriation.

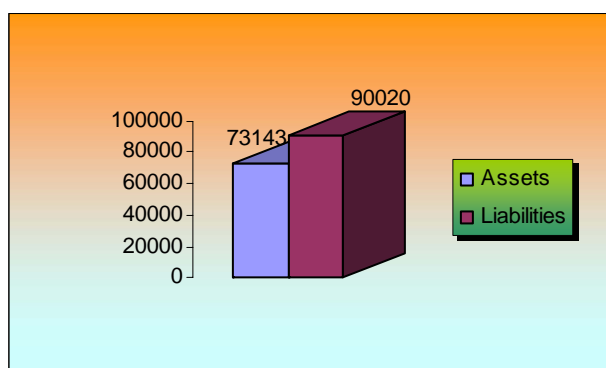
CHAPTER - 5

ASSETS AND LIABILITIES

Government has valuable assets in the form of Land, Buildings, Factories etc. Most of these assets of the Government do not easily lend themselves to an accurate valuation and Government account do not exhibit comprehensive valuation 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 31.03.2009)**

| Assets | Rs.in crore | Liabilities | Rs.in crore |
|----------------------------|--------------|--|--------------|
| Capital Expenditure | | | |
| General Services | 2642 | Internal Debt | 59150 |
| Social Services | 12729 | External Debt | .. |
| Economic Services | 33737 | Loans from Central Government | 7659 |
| Total | 49108 | Small Savings | 8049 |
| Loans and Advances | | Reserve Fund | 3893 |
| General Services | 381 | Others | 10926 |
| Social Services | 2993 | Other Receipts | 343 |
| Economic Services | 4440 | | |
| Total | 7814 | Total Liabilities (Available Funds) | 90020 |
| Cash Balances | -120 | Cumulative Resource Gap (Revenue Deficit) | 16877 |
| Investments | 16341 | | .. |
| Total Assets | 73143 | Resource Use | 73143 |



5.1 Assets

Out of the expenditure as on 31st March 2009, total investments as share capital in non-financial Public Sector Undertakings (PSU) was Rs. 6471 crore.

1. Dividend received during the year was Rs. 36 crore (0.6% on investment). During 2008-2009, investments in PSUs increased by Rs. 241 crore and dividend income decreased Rs. 4 crore over the previous year.
2. The expenditure on capital account towards financial assets was as follows: Agriculture:Rs. 6298 crore, Police: Rs. 1319 crore, Education Rs.1354 crore, Health and Family Welfare Rs. 1321 crore, Water Supply and Sanitation, Housing and Urban Development Rs. 8953 crore and on other areas Rs. 23182 crore.
3. The Cash Balance as on 31st March 2009 was Rs.(-)120 crore and the cash balance investment was Rs. 13926 crore.

5.2 Debt and Liabilities

Outstanding Public Debt at the end of 31st March 2009 was Rs. 66809 crore, comprising of internal debt Rs. 59150 crore and Loans and Advances from Central Government Rs. 7659 crore. Other liabilities accounted under Public Account were Rs. 22726 crore.

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% to 5% depending upon the economic situation in that year to a level below 5% by 31.3.2008, eliminate revenue deficit by 2008-2009 and adhere to it thereafter. **The transactions on Revenue account have resulted in revenue surplus during 2005-2006, 2006-2007, 2007-2008 and 2008-2009.**

On the Fiscal side, it was committed by the Government to reduce the ratio of fiscal deficit to GSDP every year by 0.25 percent to 0.30 percent beginning from financial year 2002-2003 with medium term goal of not being more than 3 percent of fiscal deficit to GSDP to be attained by 31st March 2008 and adhere to it thereafter.

The goal was achieved in 2005-2006, when the Fiscal deficit was less by 1.7% as compared to 2004-2005 whereas in the year 2006-2007, instead of getting reduced the Fiscal deficit had gone up by 0.6%. **In the year 2007-2008, the goal was achieved.** During 2008-2009, the fiscal deficit had increased by 1.5 percent compared to 2007-2008.

Liabilities of the State Government increased by Rs. 32447 crore, from Rs. 57088 crore in 2004-2005 to Rs. 89535 crore during 2008-2009. Public debt comprising internal debt of the State Government and loans and advances from the Central Government increased by Rs. 23103 crore, from Rs. 43706 crore in 2004-2005 to Rs. 66809 crore at the end of the current year.

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. Details of the Public Debt and total liabilities of the State Government are as under:

(Rs. in crore)

| Year | Internal Debt | Loans and advances from Central Government | Total Public Debt | Small saving | Provident Funds | Other Obligation* | Total Liabilities | Total Liabilities to GSDP |
|---------|---------------|--|-------------------|--------------|-----------------|-------------------|-------------------|---------------------------|
| 2004-05 | 37166 | 6540 | 43706 | 261 | 6243 | 6878 | 57088 | 28.4% |
| 2005-06 | 43946 | 6680 | 50626 | 246 | 6586 | 8617 | 66074 | 29.6% |
| 2006-07 | 46616 | 6466 | 53082 | 252 | 6835 | 11474 | 71643 | 29.1% |
| 2007-08 | 50249 | 6934 | 57183 | 260 | 7211 | 12292 | 76946 | 27.6% |
| 2008-09 | 59150 | 7659 | 66809 | 269 | 7780 | 14677 | 89535 | 26.4% |

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

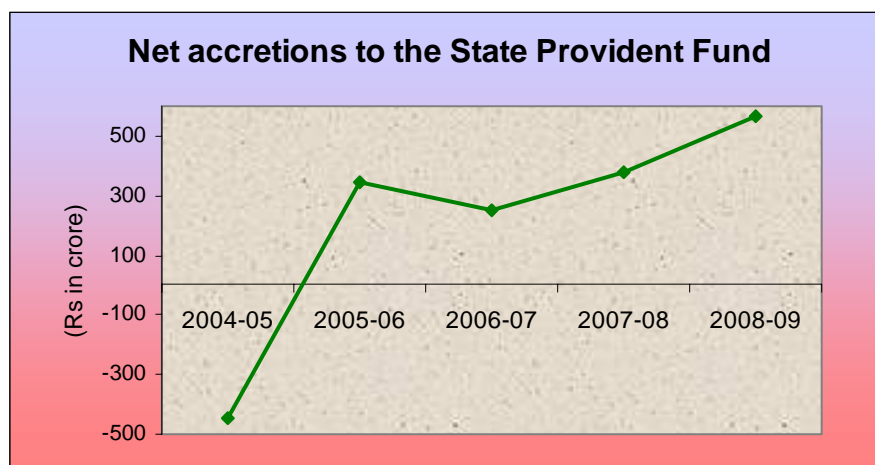
5.3 Public Account

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 Rs. 2154 crore in respect of such liabilities of State Government during 2008-2009 and the balance to the end of the year was Rs. 6018 crore.

(Rs. in crore)

| Year | Opening Balance | Receipts | Payments | Closing Balance |
|---------|-----------------|----------|----------|-----------------|
| 2004-05 | 684 | 12000 | 11045 | 1639 |
| 2005-06 | 1639 | 11789 | 11469 | 1959 |
| 2006-07 | 1959 | 14729 | 13344 | 3344 |
| 2007-08 | 3344 | 17296 | 16776 | 3864 |
| 2008-09 | 3864 | 21120 | 18966 | 6018 |

5.3.1 State Provident Fund

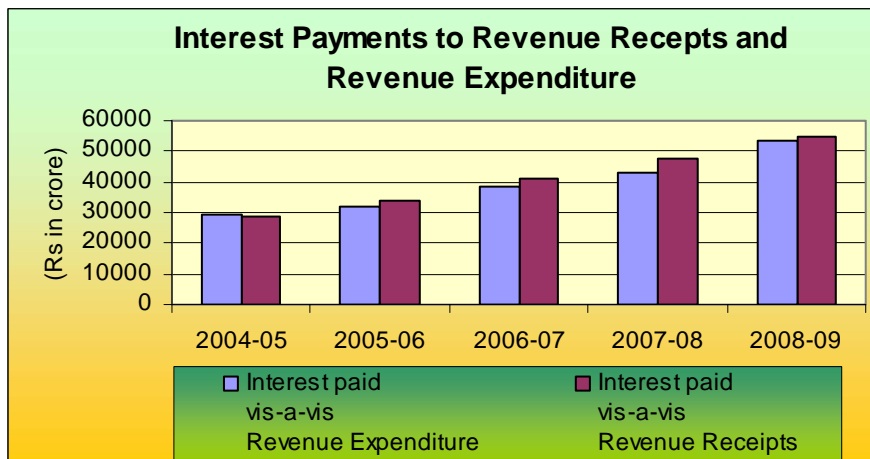
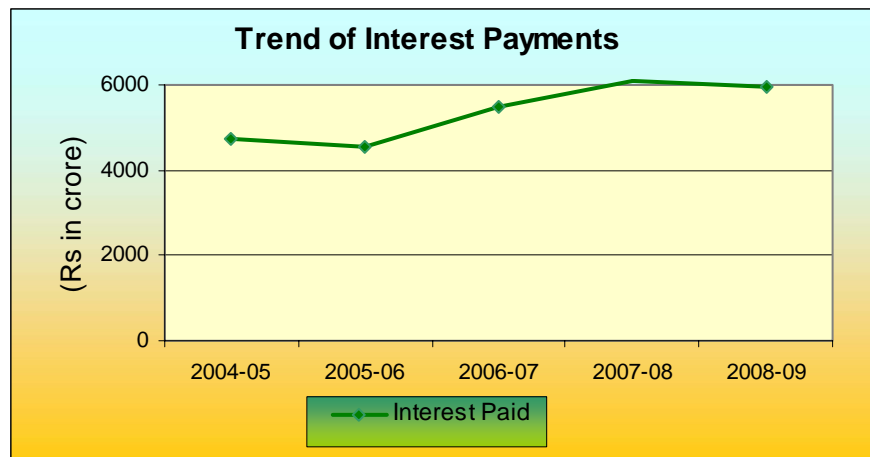


The details of transactions from the State Provident Fund are shown below:

Receipts were more than payments from the year 2003-2004 to 2008-2009, except in the year 2004-2005 where there was more payments than the receipts.

5.4 Interest Payments

Interest payments on debt and other liabilities totaling Rs. 5963 crore constituted 11.1 percent of revenue expenditure of Rs. 53590 crore. Interest payments on Public Debt were Rs. 5002 crore (Rs. 4481 crore on internal debt, Rs. 521 crore on loans and advances from Central Government) and on other liabilities, Rs. 961 crore. Expenditure on account of interest payments decreased by Rs. 123 crore during 2008-2009.



5.5 Utilisation of Borrowed Funds

The new debt contracted during the year 2008-2009 was Rs. 11841 crore and this constitutes 17.2% of the total receipts of Rs. 68817 crore (Revenue Receipts : Rs. 55042 crore and Capital Receipts: Rs. 13775 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 past three years is indicated below :

(Rs.in crore)

| Year | New Debt Contracted | New Debt to Total Debt at the end of the year | Repayment of old debt to Total Debt |
|---------|---------------------|---|-------------------------------------|
| 2006-07 | 7147 | 13.5% | 8.1% |
| 2007-08 | 7647 | 13.4% | 5.8% |
| 2008-09 | 11841 | 17.7% | 3.2% |

The interest paid for repayment of debt during the year was Rs. 5002 crore while it was Rs. 961 crore towards other obligations.

5.6 Ways and Means Advances

The State Government, in order to maintain and sustain its liquidity position, obtains 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 State Government is required to maintain a minimum cash balance of Rs.325 lakh with Reserve Bank of India on a daily basis.

| Particulars | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 |
|---|------------|------------|------------|------------|------------|
| i) Number of days on which minimum balance was maintained | | | | | |
| a) Without obtaining any advance | 342 | 351 | 365 | 366 | 365 |
| b) By obtaining Normal Ways and Means Advances | 7 | .. | .. | .. | .. |
| c) By obtaining Special Ways and Means Advances | 16 | 14 | .. | .. | .. |
| Total | 365 | 365 | 365 | 366 | 365 |
| ii) Number of days on which overdraft was taken | .. | .. | .. | .. | .. |

There was no occasion of drawal of Overdraft and Ways and Means Advances during the year 2008-2009.

5.7 Guarantees

The position of guarantees by the State Government for the payment of loans and capital and payment of interest thereon raised by Statutory Corporations and Boards, Government Companies, Co-operative Institutions, etc. is given below:

(Rs. in crore)

| At the end of the year | Amount Guaranteed (Principal only) | Amount outstanding | |
|------------------------|---------------------------------------|--------------------|----------|
| | | Principal | Interest |
| 2004-05 | 17220 | 8312 | 112 |
| 2005-06 | 13669 | 5488 | 76 |
| 2006-07 | 15942 | 3960 | 78 |
| 2007-08 | 20090 | 5343 | 67 |
| 2008-09 | 11062 | 4487 | 145 |

CHAPTER - 6 OTHER ITEMS

6.1 Loans and Advances by the State Government

Total loans and advances made by the State Government at the end of 31st March 2009 was Rs. 9748 crore. Recovery of principal amount aggregating Rs.7814 crore was outstanding at the end of 31st March 2009.

Total loans and advances to Government Corporations / Companies, Non-Government Institutions, Local Bodies, etc. at the end of 31st March 2009 was Rs. 3864 crore. The recovery of principal, amounting to Rs. 3971 crore was in arrears at the end of March 2009.

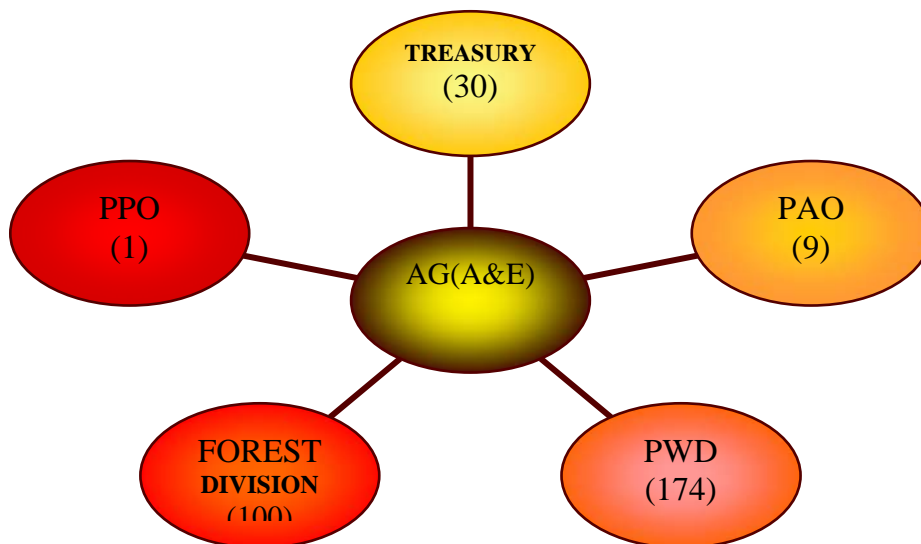
6.2 Reconciliation of Accounts

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(A&E).

Before annual accounts are finalised, the Departments reconcile the departmental accounts figures with those booked in accounts compiled by the Accountant General (A&E). The reconciliation of accounts figures is to be done monthly. For the year 2008-2009 reconciliation has been completed in respect of 98 per cent of the total certificates due from the controlling officers.

6.3 Submission of Accounts by Treasuries:

Authorities rendering accounts to Accountant General



During the year 2008-2009 there was no delay in the rendition of accounts by Treasuries, Public Works Divisions and Forest Divisions. Vouchers for Rs. 7 crore were due to be received for the year 2008-2009 from various Treasuries.

6.4 General Cash Balances

The closing cash balance according to the Reserve Bank of India was Rs. 190 crore (Net debit) against the general cash balance of Rs. 137 crore (Net credit) reflected in State Government accounts. The difference of Rs. 53 crore (Net debit) was under reconciliation. Cash in Treasuries and Remittances in Transit amounted to Rs. 17 crore.

Investments held in the Cash Balance Investment Account as on 31st March 2009 were Rs. 13926 crore. Other cash balances and investments comprising cash with departmental officers (Rs.2 crore), Permanent Advances with departmental officers (Rs. 7 crore) and investment of earmarked funds (Rs.2415 crore) as on 31st March 2009 amounted to Rs. 2424 crore.

The closing Cash Balance of the State Government increased from Rs. (-)799 crore to Rs.(-)120 crore as compared to the previous year.