

GOVERNMENT OF TAMILNADU

**ACCOUNTS AT A GLANCE
2009-2010**

**PRINCIPAL ACCOUNTANT GENERAL
(Accounts and Entitlements)**

TAMILNADU, CHENNAI - 600 018

PREFACE

This is the twelfth 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 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 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.

(R.S.RANGARAJAN)
PRINCIPAL ACCOUNTANT GENERAL(A&E)

Place: Chennai

Date:

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CHAPTER – 1

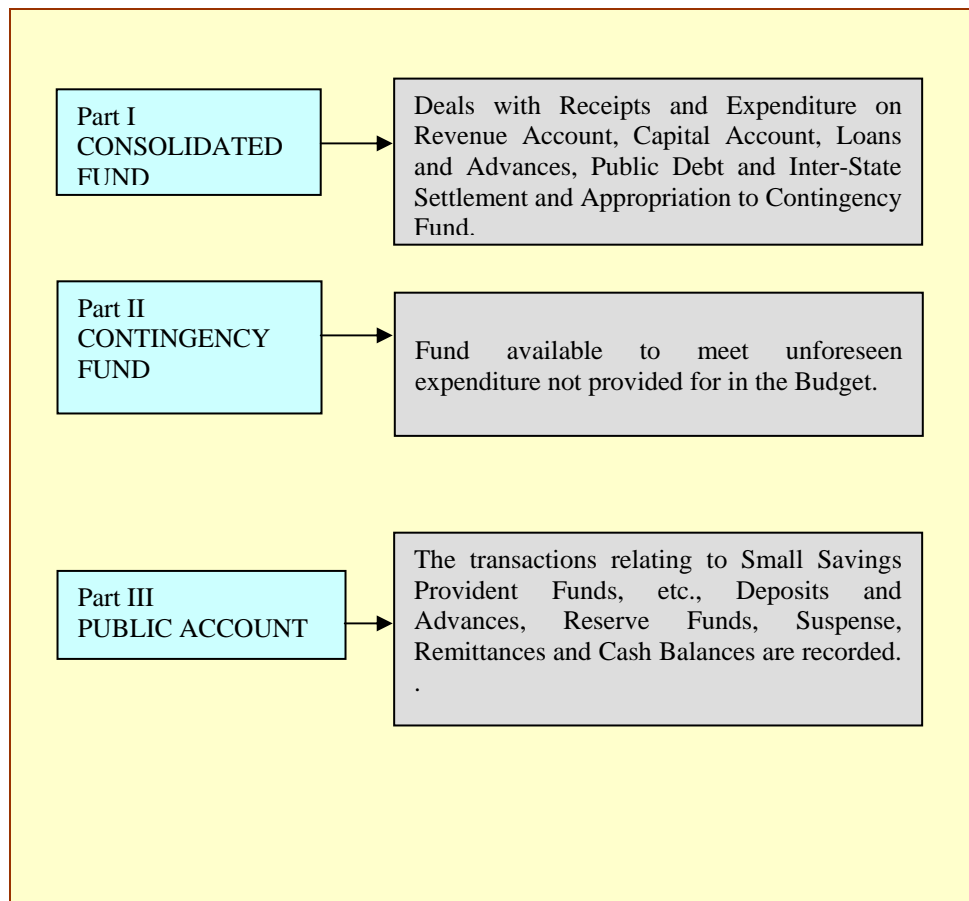
OVERVIEW

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 Principal Accountant General (Accounts and Entitlements), Tamil Nadu, Chennai. Besides, the Finance Accounts and Appropriation Accounts are prepared annually by the Principal 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 2009-2010 total Receipts amounted to ₹70238 crores comprising ₹55844 crores revenue receipts (₹45303 crores Tax revenue, ₹5027 crores Non-Tax revenue and ₹5514 crores Grants from Central Government) and ₹14394 crores capital receipts.

Disbursements during the year were ₹ 70238 crores comprising ₹59375 crores (84.53%) on revenue account and ₹10863 crores (15.47%) on capital account.

Part II Contingency Fund: The Government has a Contingency Fund of ₹150 crores. During the current year ₹120.86 crores was drawn from the Fund and the entire amount recouped to the Fund. The expenditure incurred from the Fund 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. The Appropriation Accounts supplement the Finance Accounts and comprise accounts of 50 charged Appropriations and 51 voted Grants.

Appropriation Act 2009- 2010 had projected for a gross expenditure of ₹82777 crores, including the Supplementary Grants totaling ₹5828 crores, voted by State Legislature during the year. An amount of ₹1802 crores was projected as recoveries in reduction of expenditure.

Appropriation Accounts 2009-2010 showed disbursements aggregating ₹73898 crores against the aggregate budget provision of ₹82777 crores, resulting in net saving of ₹8879 crores against Grants and Appropriations.

Recoveries in reduction of expenditure amounted to ₹1148 crores reflecting a decrease of ₹654 crores vis-à-vis Budget Estimate of ₹1802 crores.

1.4 Sources and Application of Funds

During the year 2009-2010, Government raised revenue of ₹58431 crores and debt of ₹15557 crores. Total funds received in the Consolidated Fund of the State were ₹74274 crores. Out of this, ₹2512 crores was utilised to repay Public debt and ₹70238 crores was spent in Government activities. This resulted in a surplus of ₹1238 crores on Consolidated Fund of the State which together with the deficit of ₹1524 crores on Public Account decreased the Government Balance by ₹286 crores.

Sources and Application of Funds

		PARTICULARS	AMOUNT
SOURCES (₹ in crores)		Revenue Receipts	55844
		Recovery of loans and advances	2587
		Miscellaneous Capital Receipts	Nil
		Public Debt	15557
		Cash Decrease	286
		TOTAL	74274

		PARTICULARS	AMOUNT
APPLICATION (₹. in crores)		Revenue Expenditure	59375
		Loans given	2291
		Capital Expenditure	8572
		Repayment of Public Debt	2512
		Public Account Deficit	1524
		Cash Increase	-
		TOTAL	74274

The total receipts were sufficient to meet only 95 % of the total expenditure, leaving a fiscal deficit of ₹11807 crores. The Revenue Deficit for the year was ₹3531 crores. In terms of GSDP, Fiscal Deficit was 3.1 % of GSDP and Revenue Deficit was 0.9 % of GSDP.

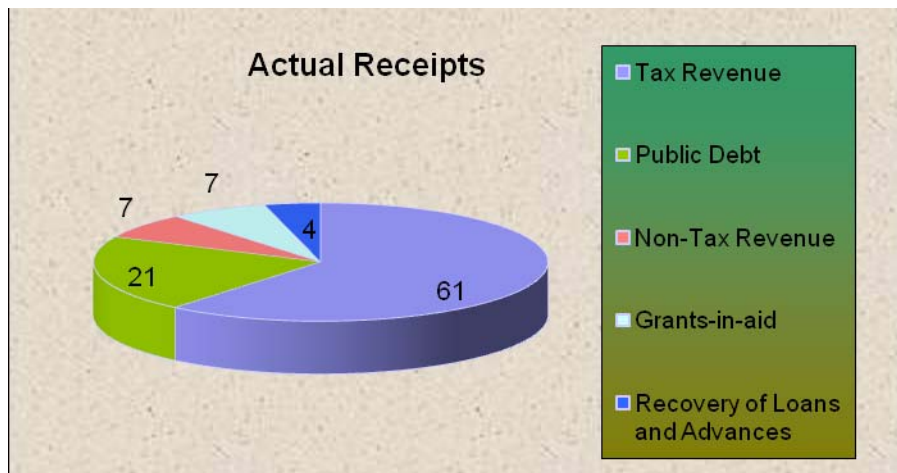
1.4.1 Sources of Financing the Deficit

The deficit of ₹11807 crores was financed mainly from Public Debt.

1.4.2 Where the Rupee came from?

The total expenditure for the year 2009-2010 was ₹74274 crores. Every rupee spent was met from Revenue Receipts (75 paise) by raising Public Debt (21 paise) and Recovery of Loans and Advances (4 paise). The Revenue Receipts (75 paise) consist of Tax Revenue (61 paise), Non-Tax Revenue (7 paise) and Grants-in-aid from Central Government (7 paise). The cumulative Public Debt at the end of 2009-2010 stood at ₹79855 crores (discussed in Para 5.2). The main sources of funds were Tax Revenue, Borrowings, Non-Tax Revenue and Grants-in-Aid as shown in Chart 1.

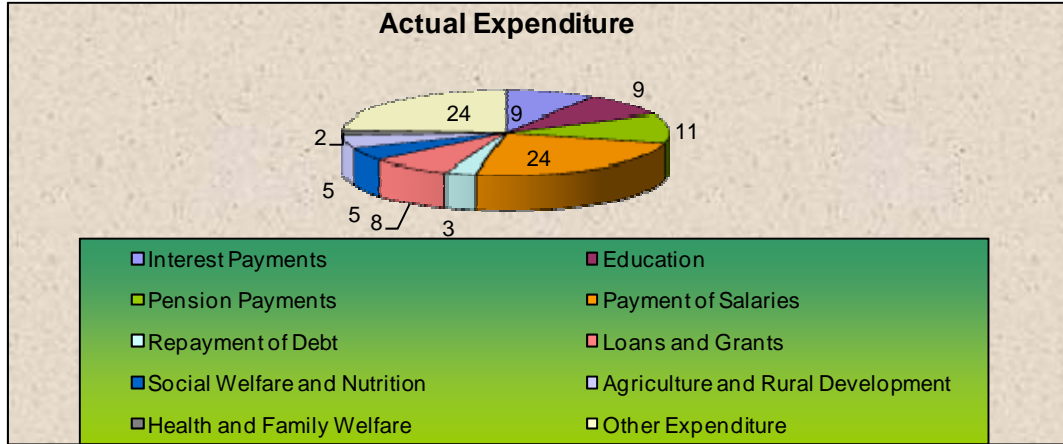
Chart 1



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, 24 paise was for payment of salaries, 11 paise for Pension Payment, 9 paise was for Interest Payments, 9 paise for Education, 8 paise for Loans and Grants, 5 paise for Social Welfare and Nutrition, 5 paise for Agriculture and Rural Development, 3 paise for repayment of Debt, 2 paise for Health and Family Welfare and the balance 24 paise for other expenditure as shown in Chart 2.

Chart 2



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 by 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 2009-2010 the Revenue Account resulted in a deficit of ₹3531 crores.

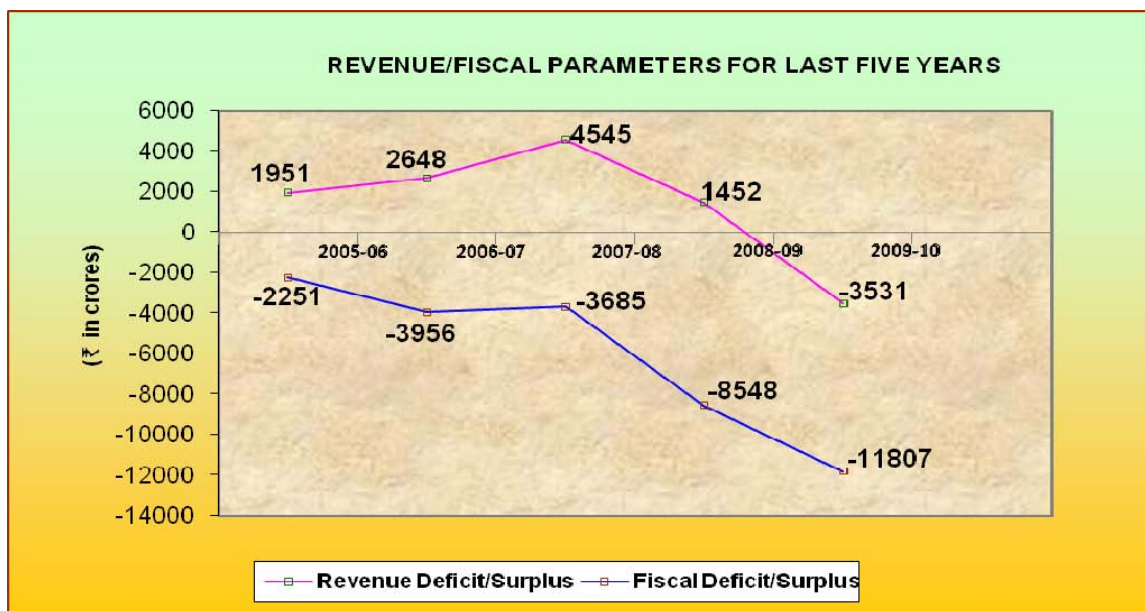
B. Fiscal Deficit:- Total Expenditure minus Total Receipts (Revenue Receipts plus Capital Receipts excluding liabilities)

It is a measure of total expenditure which is financed by borrowings. During the year 2009-2010 Fiscal Deficit comprising of Borrowings and other Liabilities was ₹11807 crores.

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

Revenue/Fiscal Parameters				
Year	Revenue Deficit (-) / Surplus (+) (₹in crores)	Percentage of Revenue Deficit (-) / Surplus (+) to GSDP	Fiscal Deficit (-) / Surplus(+) (₹in crores)	Percentage of Fiscal Deficit (-) / Surplus (+) to GSDP
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
2009-2010	-3531	-0.9	-11807	-3.1

Chart 3



The Revenue Deficit in 2004-05 turned to Revenue Surplus from 2005-06 onwards. This was due to increase in Tax Revenue in 2005-06 and 2006-07, increase in Grants-in-Aid and Contributions in 2007-08 and increase in Non-Tax Revenue and Grants-in-Aid in 2008-09. Tax Revenue in 2009-10 has increased by 7% as compared to previous year which has contributed to overall increase under Revenue Receipts in spite of decrease in Non-Tax Revenue by 12% and in Grants-in-Aid by 23%. But there has been an overall increase of 11% in Revenue Expenditure in all the three Sectors viz., General Services, Social Services and Economic Services contributing to the Revenue Deficit at the end of the year. The Revenue Deficit for 2009-10 was ₹3531 crores constituting 0.9 % of GSDP.

The Fiscal Deficit of the State increased from ₹8548 crores in 2008-2009 to ₹11807 crores in 2009-2010.

The Fiscal Deficit for 2009-2010 was ₹11807 crores constituting 3.1% 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 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. In the year 2007-2008, the norms as per Tamil Nadu Fiscal Responsibility Act, 2003 was achieved. However, in 2008-2009, the fiscal deficit/GSDP Ratio had increased by 1.5 per cent as compared to 2007-2008 and in 2009-10, the Ratio had increased by 0.6 percent as compared to 2008-09, the actual increase being 3.1 percent.

1.6 HIGHLIGHTS OF ACCOUNTS

(₹in crores)				
Sl. No.	Particulars	B.E 2009-2010	Actuals	Percentage of Actuals to B.E
1	Tax Revenue	47674	45303	95.03
2	Non-Tax Revenue	3404	5027	147.68
3	Grants from Central Government	7193	5514	76.66
4	Total Revenue Receipts	58271	55844	95.83
5	Recovery of Loans & Advances	1039	2587	248.99
6	Other Receipts
7	Borrowings and other liabilities (B)	11823	11807	99.86
8	Total Capital Receipts (A)	12862	14394	111.91
9	Total Receipts	71133	70238	98.74
10	Expenditure on Revenue Account	59295	59375	100.13
11	Expenditure on Capital Account (C)	11838	10863	91.76
12	Total Expenditure	71133	70238	98.74
13	Revenue Deficit (-)(10-4) / Revenue Surplus(+) (4-10)	-1024	-3531	
14	Fiscal Deficit (4+5+6-12)	-11823	-11807	

- (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: ₹379503 crores.

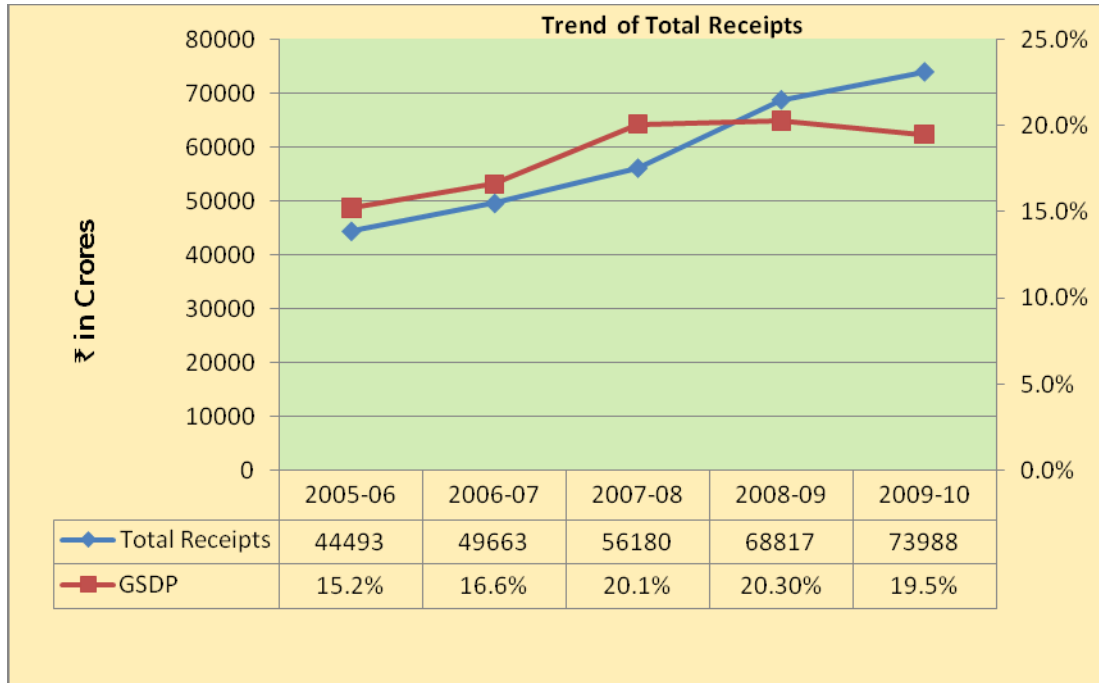
CHAPTER - 2

RECEIPTS

2.1 Introduction

Total receipts for the current year were ₹73988 crores (Revenue Receipts ₹55844 crores and Capital Receipts ₹18144 crores). Based on their source, receipts of Government are classified into Revenue Receipts and Capital Receipts.

Chart 4



2.2 Revenue Receipts

Tax Revenue of ₹45303 crores and Non-Tax Revenue of ₹5027 crores formed 11.9 per cent and 1.3 per cent respectively of the GSDP. Revenue receipts include ₹5514 crores received from Government of India as Grants-in-aid. The composition of these revenues to 'Total Revenue Receipts' was 81.1 per cent, 9.0 per cent and 9.9 per cent for Tax Revenue, Non-Tax Revenue and Grants-in-aid respectively as shown in Chart 5.

Tax Revenue included ₹8756 crores representing 'Share of Net Proceeds of Union Taxes and Duties assigned to the State'. Major contributors to States' own revenue receipts were (i) Taxes on Sales, Trade, etc. ₹22662 crores (40.6 per cent), (ii) State Excise ₹6741 crores (12.1 per cent) (iii) Stamps and Registration Fees ₹3662 crores (6.6 per cent) and (iv) Others ₹22779 crores (40.7 per cent) as shown in Chart 6.

Chart 5

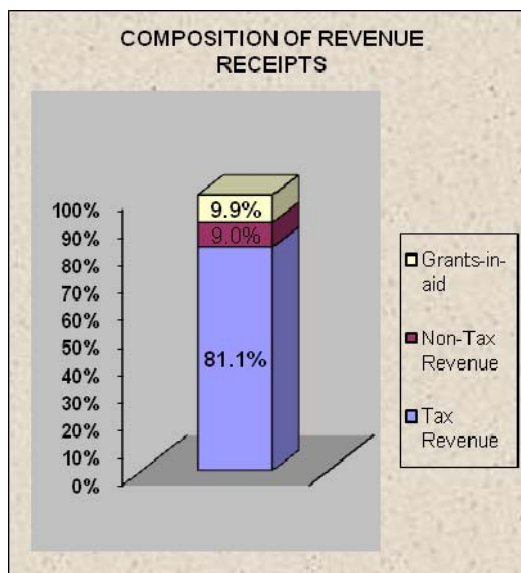
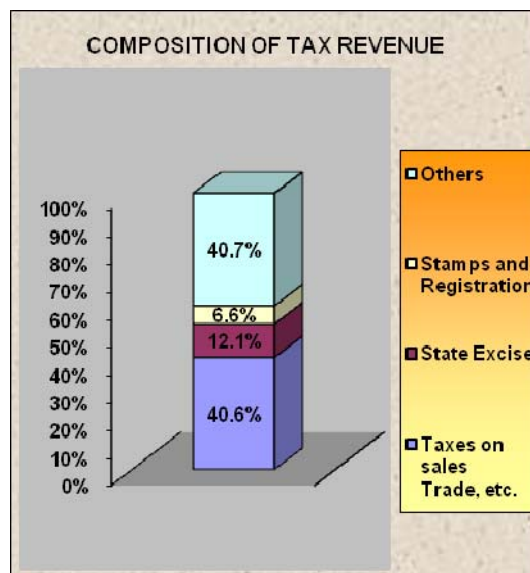


Chart 6



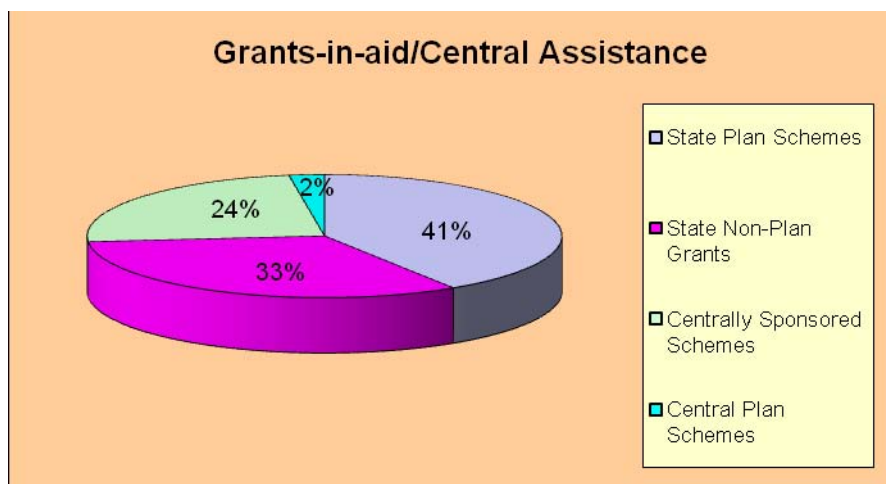
Tax Revenue during the year was less than the Budget Estimate by ₹2371 crores, the decrease were mainly under Taxes on Sales, Trade, Stamp and Registration Fees, etc. Non-tax revenue during the year was higher than the Budget Estimate by ₹1623 crores, mainly on account of more collection under Interest 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 2009-2010 were ₹5514 crores as shown in the table below and Chart 7.

Item	Amount (₹ in Crores)	Percentage to total Grants
State Plan Schemes	2253	41
State Non Plan Schemes	1800	33
Centrally Sponsored Schemes	1331	24
Central Plan Schemes	130	2
Total	5514	100

Chart 7



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 is as shown below.

Item	Amount (₹ in crores)	Percentage to total Capital Receipts
A. Public Debt	15557	86
1. Internal Debt	14527	80
2. Govt. of India Loans and Advances	1030	6
B. Recovery of Loans and Advances	2587	14
Total	18144	100

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 (₹6667 crores), payment of Pension (₹7958 crores), payment of salaries (Pay ₹11504 crores and DA ₹6013 crores), expenditure on Education etc., (₹4319 crores), expenditure on Health and Family Welfare (₹1081 crores), expenditure on Social Welfare and Nutrition (₹3656 crores) and others (₹18177 crores). Revenue Expenditure (₹59375 crores) was 15.6 per cent of GSDP. It was more than Budget Estimate by ₹80 crores (₹1787 crores decrease under Non-Plan and ₹1867 crores increase under Plan).

3.2.1 Plan Expenditure

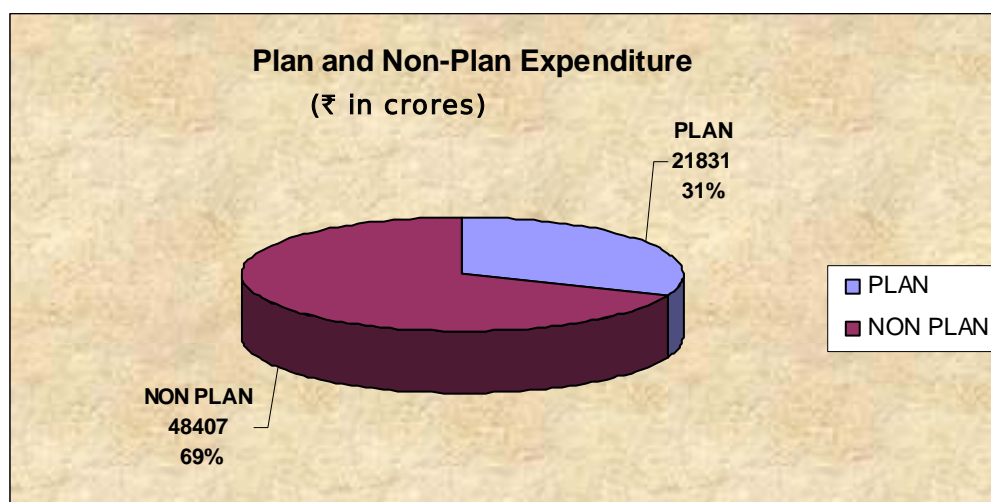
During the year 2009-2010, Plan Expenditure representing 31 per cent of total disbursements, was ₹21831 crores (₹20528 crores under State Plan, ₹931 crores under Centrally Sponsored Schemes, ₹368 crores under Schemes financed by Autonomous Bodies and ₹4 crores under schemes shared between State and Centre).

3.2.2 Non-Plan Expenditure

Non-Plan Expenditure during 2009-2010, representing 69 per cent of total disbursements was ₹48407 crores, consisting of ₹46602 crores under Revenue and ₹1805 crores under Capital.

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

Chart 8



3.2.3. Trend in plan and non-plan expenditure, administrative, general, social and economic services expenditure for the past five years from 2005-2006 to 2009-2010 are depicted in Charts 9 to 13:

Chart 9

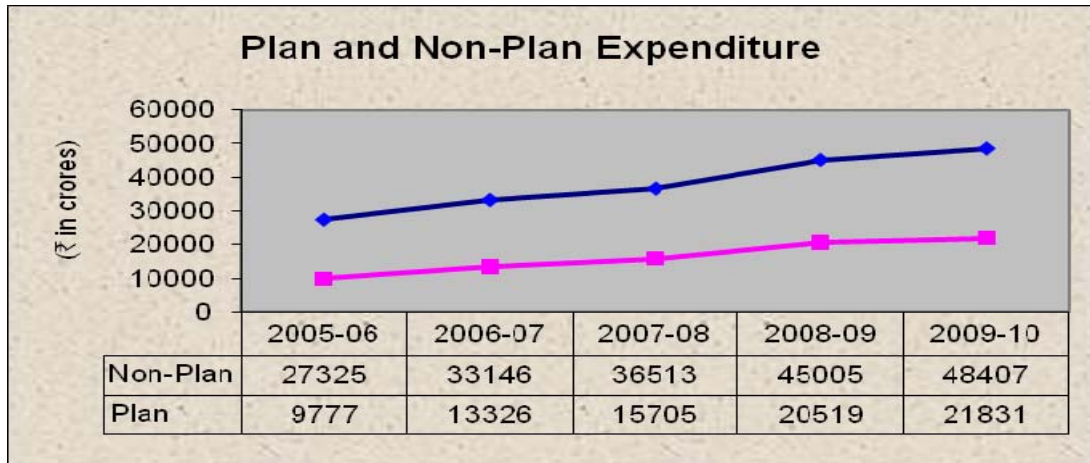


Chart 10

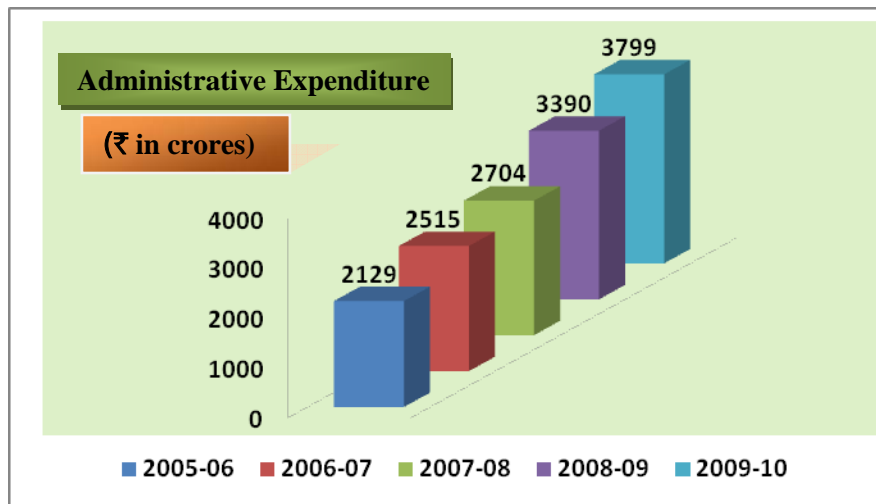


Chart 11

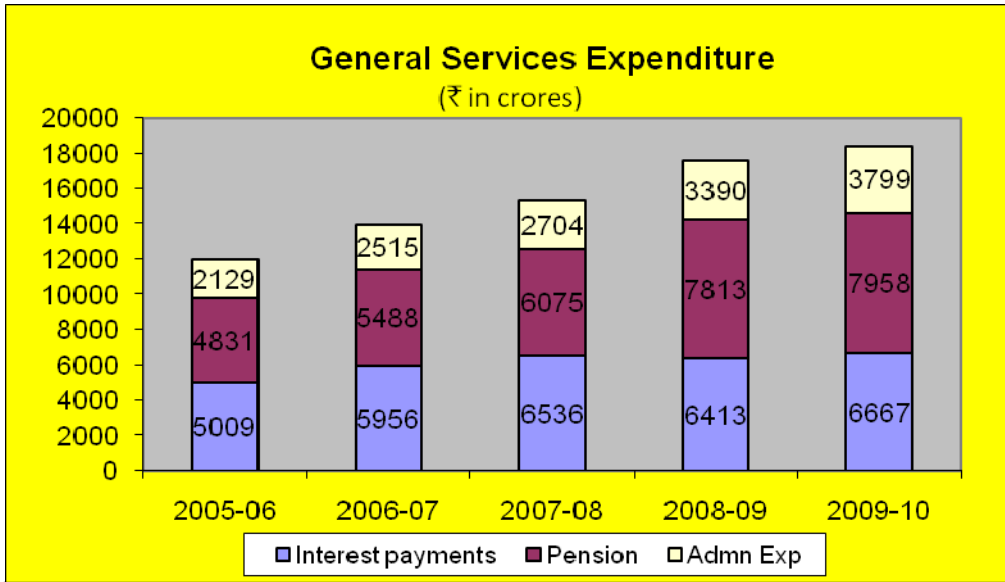


Chart 12

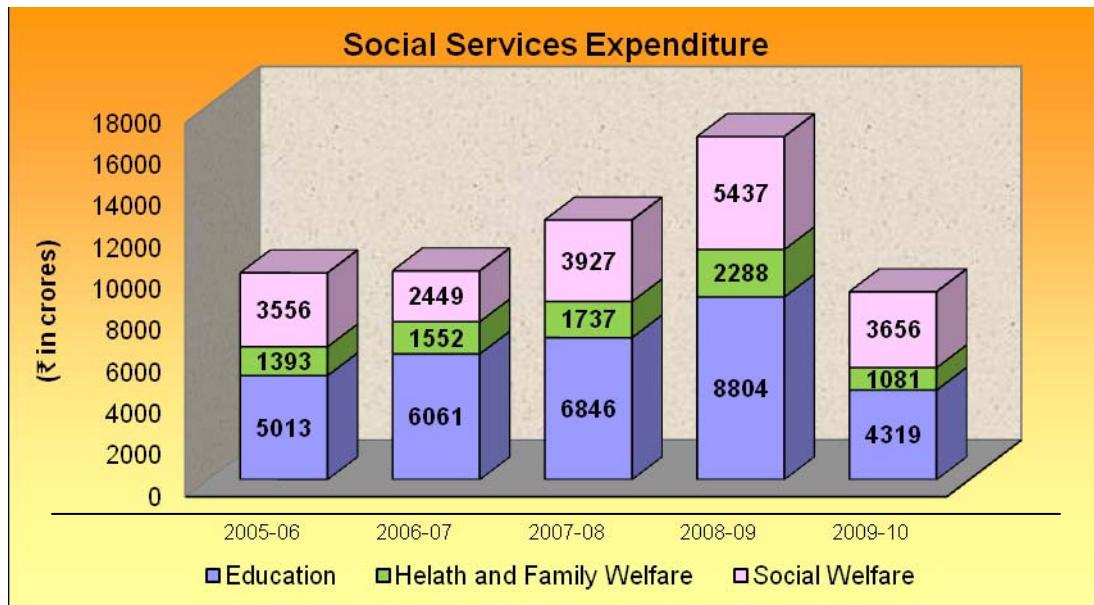
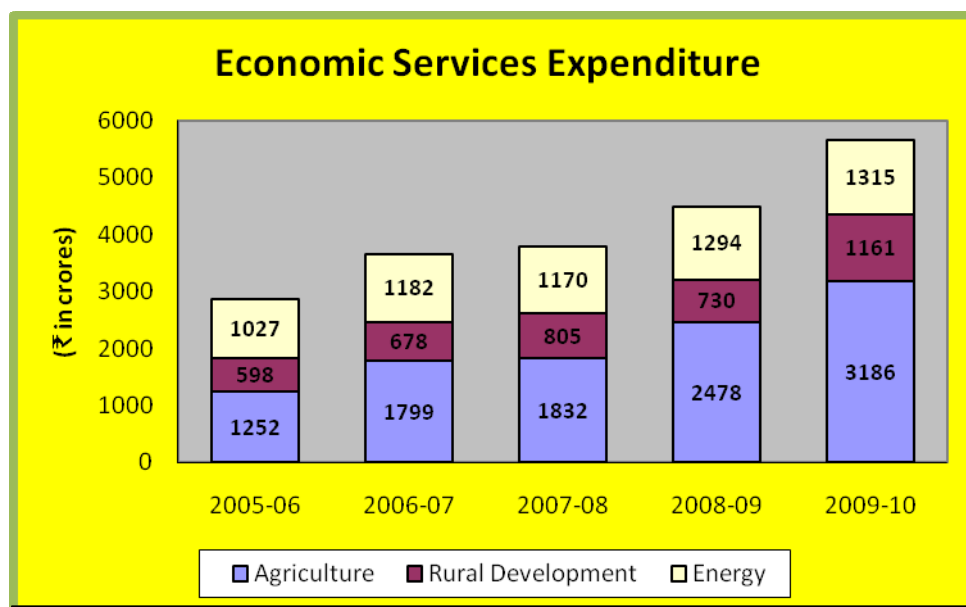


Chart 13



3.3 Capital Expenditure

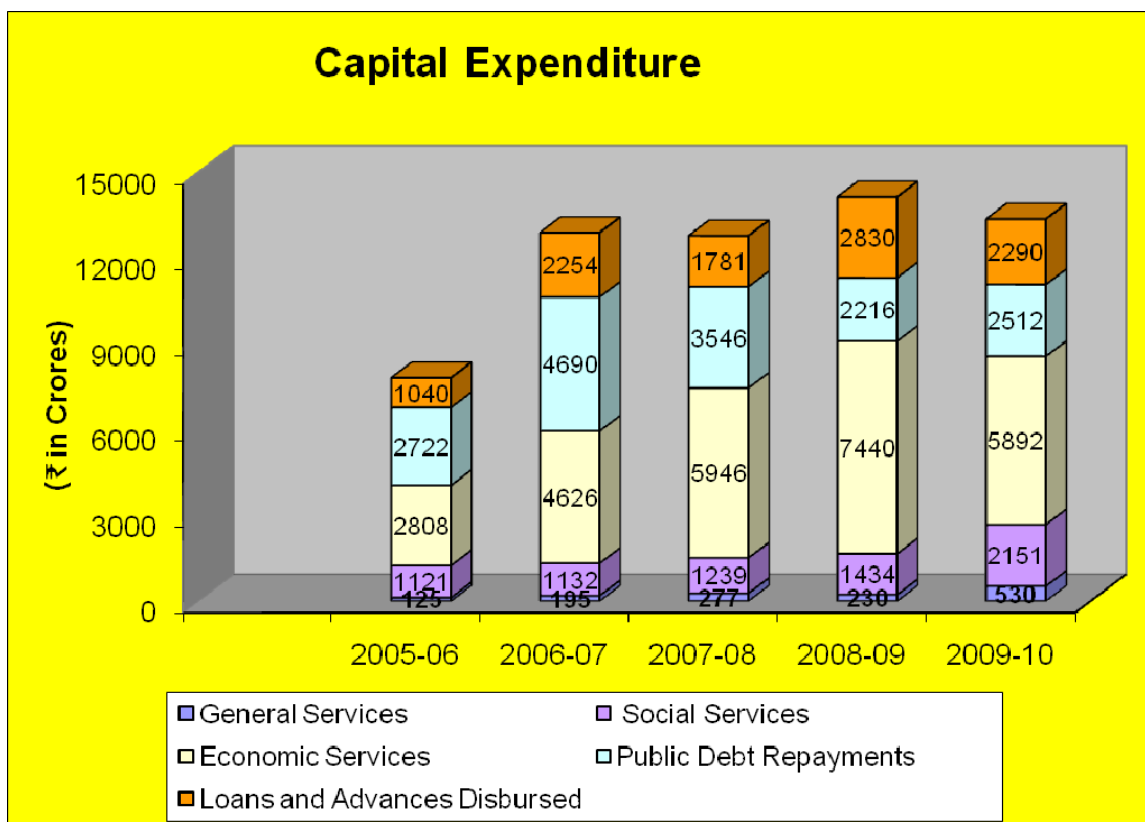
Expenditure incurred to create durable assets of material and permanent character is referred to as capital expenditure. Such expenditure during the year was ₹13375 crores.

SECTOR-WISE CAPITAL EXPENDITURE

Sector	Amount (₹ in crores)	Percentage to Total Expenditure
1. General Services - Police, Public Works etc.	530	4.0
2. Social Services - Education, Health and Family Welfare, Water Supply, Welfare of SC/STs etc.	2151	16.1
3. Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	5892	44.1
4. Repayment of Public Debt		
(a) Internal Debt of the State Government	2180	16.3
(b) Loans and Advances from the Central Government	332	2.4
5. Loans and Advances Disbursed	2290	17.1
Total	13375	100

Out of the total Capital expenditure, 4 % was spent under General Services, 16.1 % under Social Services, 44.1 % under Economic Services, 18.7 % for repayment of Public Debt and 17.1 % for disbursement of Loans and Advances during the year 2009-2010.

Chart 14



Compared to the previous year there was increase in Capital Expenditure on General Services, Social Services and repayment of Public Debt, while the expenditure in Economic Services and Disbursement of Loans and Advances decreased.

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 2009-2010, there was actual expenditure of ₹73898 crores, comprising ₹60510 crores Revenue Expenditure, ₹8586 crores Capital Expenditure, ₹2512 crores Repayment of Debt and ₹2290 crores 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 crores)						
1	Revenue Voted Charged	53675 6909	4610 150	58285 7059	53546 6964	-4739 -95
2	Capital Voted Charged	10579 6	225 8	10804 14	8582 4	-2222 -10
3	Public Debt Charged	4013		4013	2512	-1501
4	Loans and Advances Voted	1767	835	2602	2290	-312
	Total	76949	5828	82777	73898	-8879

Out of the ultimate saving of ₹8879 crores, ₹8681 crores 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 other 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 ₹ 8879 crores.

(₹ in crores)

Details	Budget Estimates	Actual Expenditure	Saving
Gross Expenditure (as per Appropriation Accounts)	82777	73898	-8879
Less- Recoveries	1802	1148	-654
Net expenditure (as per Finance Accounts)		72750	

4.4 Persistent Saving

There has been persistent saving of more than 5 per cent under 19 Revenue grants/appropriations during the past five years and in the current year. Five departments where major persistent saving has occurred are listed below:

- ❖ Industries Department - Saving in the grant was 94.44 % to total grant during the year 2009-10 and the saving fluctuated between 10.56 % and 56.29 % during the preceding five years.
- ❖ Micro, Small and Medium Enterprise Department - Saving in the grant was 27.17 % to total grant during the year 2009-10 and the saving fluctuated between 17.71 % and 45.44 % during the preceding five years.
- ❖ Fire and Rescue Services Department - Saving in the grant was 24.61% to total grant during the year 2009-10 and the saving fluctuated between 14.62 % and 27.89 % during the preceding five years.
- ❖ Higher Education Department – Saving in the grant was 23.16 % to total grant during the year 2009-10 and the saving fluctuated between 12.31 % and 21.56 % during the preceding five years.
- ❖ Fisheries Department - Saving in the Grant was 19.51 % to total grant during the year 2009-10 and the saving fluctuated between 11.12 % and 32.99 % during the preceding five years.

There is no case of occurrence of persistent excess to the end of 2009-2010 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 31.03.2010)

Assets	₹in crores	Liabilities	₹in crores
Capital Expenditure			
General Services	3173	Internal Debt	71498
Social Services	14880	External Debt	..
Economic Services	39636	Loans from Central Government	8357
Total	57689	Small Savings	9028
Loans and Advances		Reserve Fund	4711
General Services	403	Others	11123
Social Services	3424	Other Receipts	216
Economic Services	3690		
Total	7517	Total Liabilities (Available Funds)	104933
Cash Balances	(-)405	Cumulative Resource Gap	(-)20249
Investments	19883		
Total Assets	84684	Resource Use	84684

Chart 15



5.1 Assets

Out of the expenditure as on 31st March 2010, total investments as share capital in non-financial Public Sector Undertakings (PSU) was ₹8107 crores.

1. Dividend received during the year was ₹48 crores (0.6 % on investment). During 2009-2010, investments in PSUs increased by ₹1636 crores and dividend income increased ₹12 crores over the previous year.
2. The expenditure on capital account towards creation of assets was as follows: Agriculture: ₹7236 crores, Police: ₹1455 crores, Education ₹1715 crores, Health and Family Welfare ₹1776 crores, Water Supply and Sanitation, Housing and Urban Development ₹10164 crores and on other areas ₹35127 crores.
3. The Cash Balance as on 31st March 2010 was ₹ (-) 405 crores and the cash balance investment was ₹17432 crores.

5.2 Debt and Liabilities

Outstanding Public Debt at the end of 31st March 2010 was ₹79855 crores, comprising of internal debt ₹71498 crores and Loans and Advances from Central Government ₹8357 crores. Other liabilities accounted under Public Account were ₹24878 crores.

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 2009-2010 and adhere to it thereafter. The transactions in Revenue account have resulted in revenue surplus during 2005-2006, 2006-2007, 2007-2008 and 2008-2009. But in 2009-10, the transactions have resulted in revenue deficit.

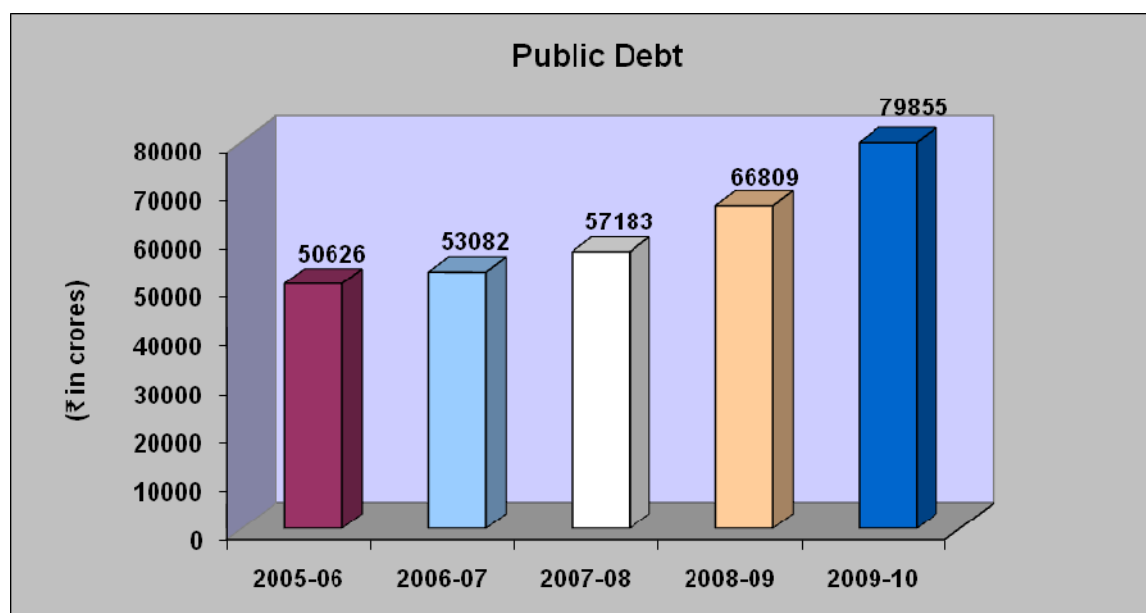
On the Fiscal side, it was committed by the Government to reduce the ratio of fiscal deficit to GSDP every year by 0.25 percent to 0.30 percent beginning from financial year 2002-2003 with medium term goal of not being more than 3 percent of fiscal deficit to GSDP to be attained by 31st March 2008 and 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. During 2009-10, the fiscal deficit had increased by 0.6 percent compared to 2008-09, the actual increase being 3.1 per cent.

Liabilities of the State Government increased by ₹38659 crores, from ₹66074 crores in 2005-2006 to ₹104733 crores during 2009-2010. Public debt comprising internal debt of the State Government and Loans and Advances from the Central Government increased by ₹29229 crores, from ₹50626 crores in 2005-2006 to ₹79855 crores at the end of the current year.

Trend in Public Debt for the Past Five years :

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 borrowing upto ₹1,25,98.96 crores during 2009-10.

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

(₹ in crores)

Year	Internal Debt	Loans and advances from Central Government	Total Public Debt	Small Saving	Provident Funds	Other Obligation*	Total Liabilities	Total Liabilities to GSDP
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 %
2009-10	71498	8357	79855	253	8775	15850	104733	27.6 %

* 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 ₹1693 crores in respect of such liabilities of State Government during 2009-2010 and the balance to the end of the year was ₹7711 crores.

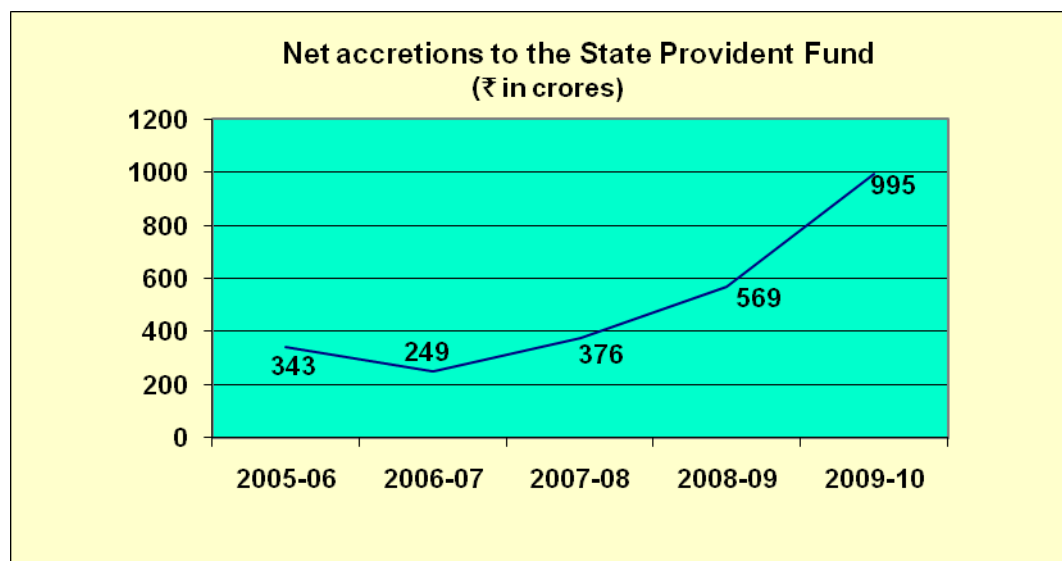
(₹ in crores)

Year	Opening Balance	Receipts	Payments	Closing Balance
2005-06	1639	11789	11469	1959
2006-07	1959	14729	13344	3344
2007-08	3344	17296	16776	3864
2008-09	3864	21120	18966	6018
2009-10	6018	23630	21937	7711

5.3.1 State Provident Fund

Receipts were more than the payments during the years 2005-06 to 2009-10 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 totaling ₹6667 crores constituted 11.2 per cent of revenue expenditure of ₹59375 crores. Interest payments on Public Debt were ₹5758 crores (₹5228 crores on internal debt, ₹530 crores on loans and advances from Central Government) and on other liabilities, ₹909 crores. Expenditure on account of interest payments increased by ₹704 crores during 2009-2010.

Chart 18

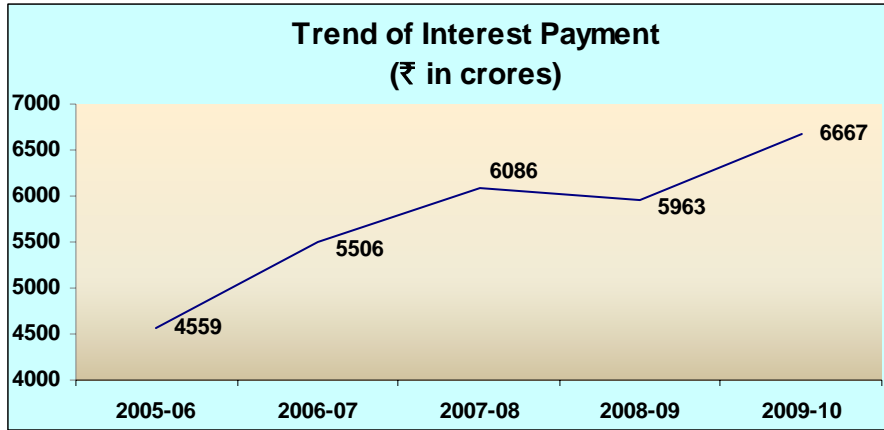
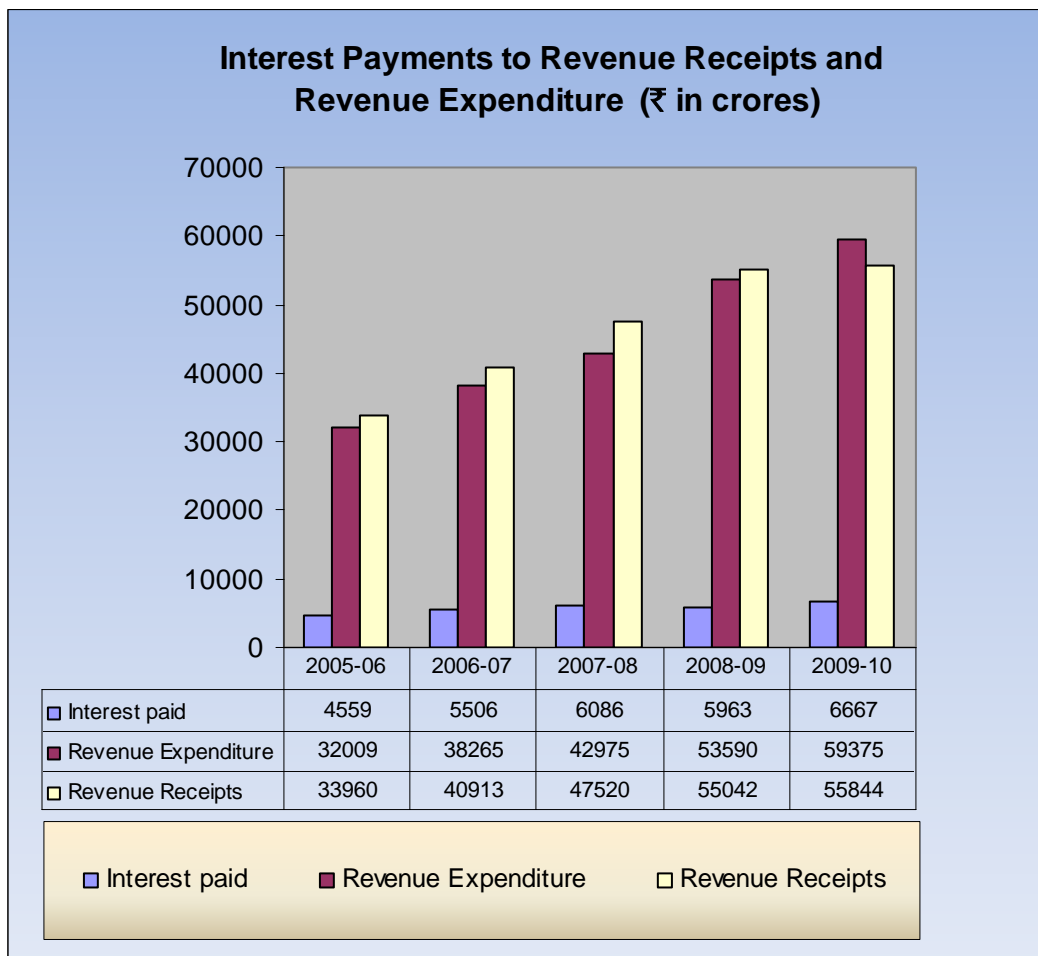


Chart 19



5.5 Utilisation of Borrowed Funds

The new debt contracted during the year 2009-2010 was ₹15557 crores and this constitutes 21 % of the total receipts of ₹73988 crores (Revenue Receipts: ₹55844 crores and Capital Receipts: ₹18144 crores). 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:

Year	New Debt Contracted (₹in crores)	New Debt to Total Debt at the end of the year	Repayment of old debt to Total Debt
2007-08	7647	13.4 %	5.8 %
2008-09	11841	17.7 %	3.2 %
2009-10	15557	19.5 %	3.1 %

The interest paid for repayment of debt during the year was ₹ 5758 crores while it was ₹ 909 crores 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 ₹325 lakhs with Reserve Bank of India on a daily basis. The position in this regard for the past five years is as under:

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
i) Number of days on which minimum balance was maintained					
a) Without obtaining any advance	351	365	366	365	365
b) By obtaining Normal Ways and Means Advances	--	--	--	--	--
c) By obtaining Special Ways and Means Advances	14	--	--	--	--
Total	365	365	366	365	365
ii) Number of days on which overdraft was taken	--	--	--	--	--

There was no occasion of drawal of Overdraft or resorting to Ways and Means Advances from 2006-07 to 2009-2010.

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:

(₹ in crores)

At the end of the year	Amount Guaranteed (Principal only)	Amount outstanding	
		Principal	Interest
2005-06	13669	5488	76
2006-07	15942	3960	78
2007-08	20090	5343	67
2008-09	11062	4487	145
2009-10	12830	6121	176

CHAPTER - 6

OTHER ITEMS

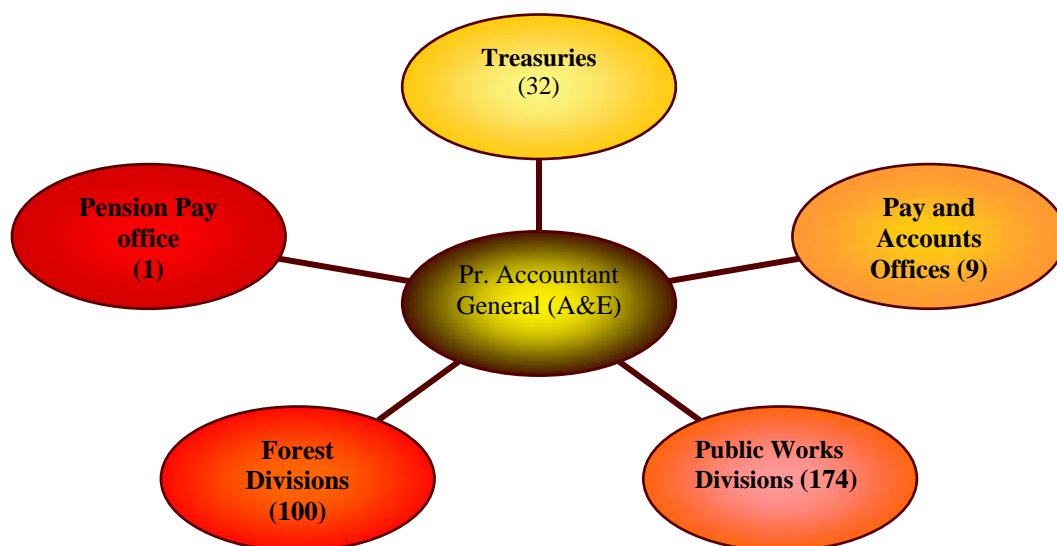
6.1 Loans and Advances by the State Government

Total loans and advances made by the State Government at the end of 31st March 2010 was ₹10104 crores. Recovery of principal amount aggregating ₹7517 crores was outstanding at the end of 31st March 2010.

Total loans and advances to Government Corporations / Companies, Non-Government Institutions, Local Bodies, Co-operatives etc. at the end of 31st March 2010 was ₹4854 crores. The recovery of principal amounting to ₹4628 crores was in arrears at the end of March 2010.

6.2 Submission of Accounts by Accounts rendering Authorities/Units:

Authorities/Units rendering accounts to Principal Accountant General



During the year 2009-2010 there was no delay in the rendition of accounts by Treasuries, Pay and Accounts Offices, Public Works Divisions and Forest Divisions. Vouchers for ₹10.61 crores were due to be received for the year 2009-2010 from various Treasuries.

6.3 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 Principal Accountant General (A&E).

Before annual accounts are finalised, the Departments reconcile the departmental accounts figures with those booked in accounts compiled by the Principal Accountant General (A&E). The reconciliation of accounts figures is to be done monthly. For the year 2009-2010 reconciliation has been completed in respect of 98.6 per cent of the total certificates due from the controlling office`

6.4 General Cash Balances

The closing cash balance according to the Reserve Bank of India was ₹456 crores (Net debit) against the general cash balance of ₹422 crores (Net credit) reflected in State Government accounts. The difference of ₹34 crores (Net debit) was under reconciliation. Difference to the extent of ₹14 crores (Net Debit) was cleared by the end of July 2010. Cash in Treasuries and Remittances in Transit amounted to ₹17 crores.

Investments held in the Cash Balance Investment Account as on 31st March 2010 were ₹17432 crores. Other cash balances and investments comprising cash with departmental officers (₹2 crores), Permanent Advances with departmental officers (₹7 crores) and Investment of earmarked funds (₹2451 crores) as on 31st March 2010 amounted to ₹2460 crores.

The closing Cash Balance of the State Government decreased from ₹ (-) 120 crores to ₹(-) 405 crores as on 31st March 2010 compared to the previous year.