



ACCOUNTS AT A GLANCE 2012-13



GOVERNMENT OF TAMIL NADU



ACCOUNTS AT A GLANCE FOR THE YEAR 2012-13



GOVERNMENT OF TAMIL NADU

PREFACE

This is the fifteenth 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.



(S.SNEHALATHA)
PRINCIPAL ACCOUNTANT GENERAL
(ACCOUNTS AND ENTITLEMENTS)

Place : **Chennai**
Date : **03.12.2013**

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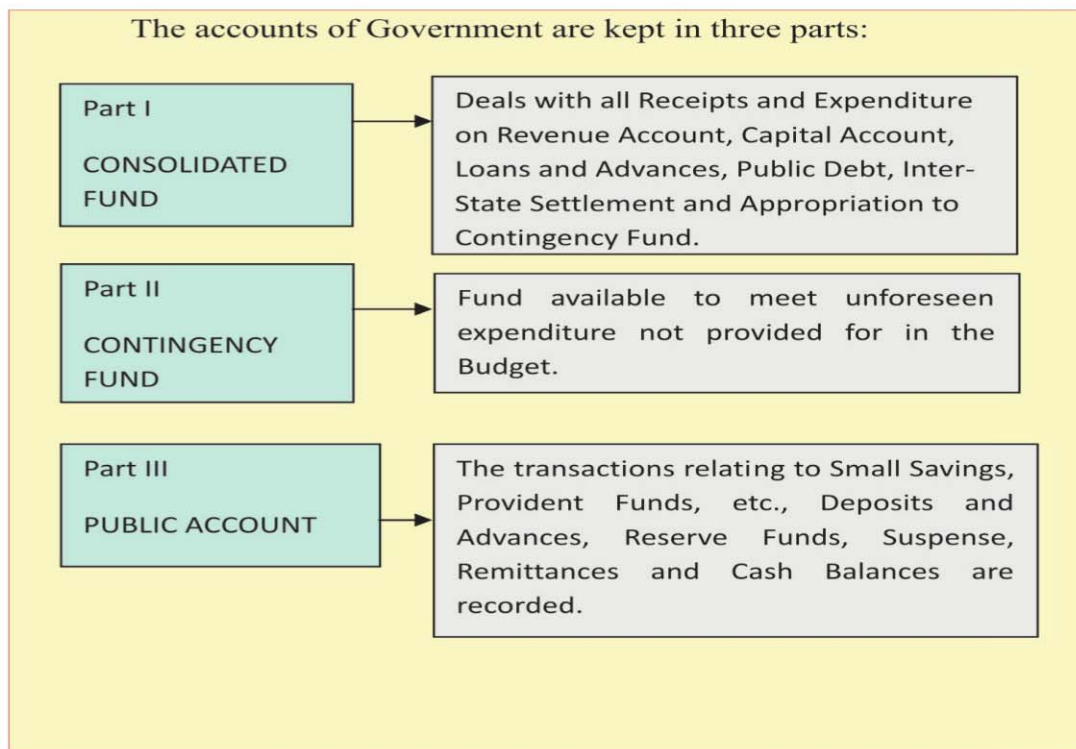
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CHAPTER-I OVERVIEW

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 Principal Accountant General (Accounts and Entitlements), Tamil Nadu, Chennai. The Finance Accounts and Appropriation Accounts are prepared annually by the Principal Accountant General (Accounts and 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



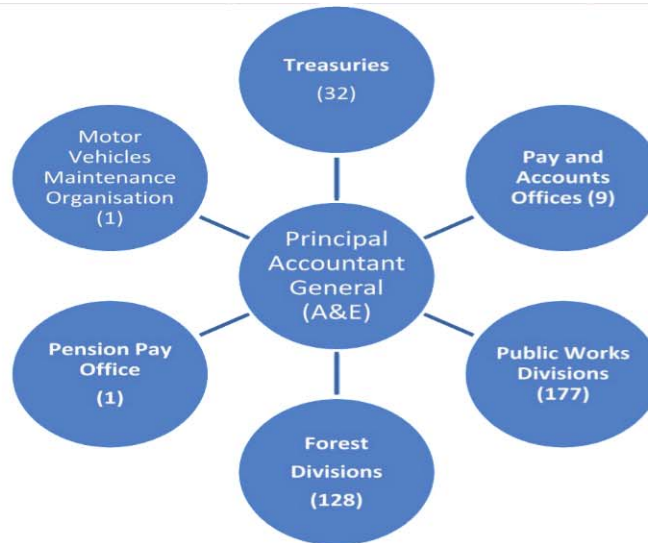
Part I Consolidated Fund: During 2012-13 total Receipts amounted to ₹1,16,404 crore comprising ₹98,828 crore Revenue Receipts (₹85,774 crore Tax revenue, ₹6,554 crore Non-Tax revenue and ₹6,500 crore Grants from Central Government) and ₹17,576 crore Net Capital Receipts consisting of Recovery of Loans and Advances (₹1,057 crore) and Borrowings and Other Liabilities (₹16,519 crore).

Disbursements during the year were ₹1,16,404 crore comprising ₹97,067 crore (83.4 per cent) on Revenue Account and ₹19,337 crore (16.6 per cent) on Capital Account. The Capital Account consists of Capital expenditure (₹14,568 crore) and Loans and Advances (₹4,769 crore).

Part II Contingency Fund: The Contingency Fund has a corpus of ₹150 crore. During the current year, a total of ₹1,11.40 crore was drawn from the Fund through various Government Orders. The entire amount was recouped to the Fund in two stages (i) First Supplementary Estimates in November, 2012 (₹60.63 crore) and (ii) Final Supplementary Estimates in March, 2013 (₹50.77 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 2013 was ₹24,263 crore and assets through cash balance investment was ₹17,299 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 Principal Accountant General



During the year 2012-13, there was no significant delay in the rendition of accounts by Treasuries, Pay and Accounts Offices, Public Works Divisions and Forest Divisions. Vouchers for ₹4.45 crore were due to be received for the year 2012-13 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.

In 2012-13, the Government of India have directly released ₹8,995 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 the Government of Tamil Nadu. Since these funds are not routed through State Budget, they are not reflected in the accounts of the Government of Tamil Nadu. These transfers, captured from Central Plan Schemes Monitoring System (CPSMS) portal of the Controller General of Accounts, Ministry of Finance, Government of India are exhibited in Appendix VII 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 56 Charged Appropriations and 54 Voted Grants.

Appropriation Act 2012-13 had projected for a gross expenditure of ₹1,40,235 crore, including the Supplementary Grants totaling ₹11,730 crore, voted by State Legislature during the year. An amount of ₹2,885 crore was projected as recoveries in reduction of expenditure.

Appropriation Accounts 2012-13 showed disbursements aggregating ₹1,23,756 crore against the aggregate budget provision of ₹1,40,235 crore, resulting in net saving of ₹16,479 crore against Grants and Appropriations.

Actual Recoveries in reduction of expenditure amounted to ₹2,337 crore reflecting a decrease of ₹548 crore vis-à-vis Budget Estimate of ₹2,885 crore.

1.5 Sources and Application of Funds

During the year 2012-13, Government raised revenue of ₹99,885 crore and debt of ₹21,220 crore. Total funds received in the Consolidated Fund of the State were ₹1,21,105 crore. Out of this, ₹5,015 crore was utilized to repay Public Debt and ₹1,16,404 crore was spent on Government activities. Total expenditure from the Fund was ₹1,21,419 crore. This has resulted in a deficit of ₹314 crore. This together with Public Account deficit of ₹901 crore had decreased the Cash Balance by ₹1,215 crore.

Sources and Application of Funds

		PARTICULARS	AMOUNT
SOURCES (in crore of Rupees)		Revenue Receipts	98,828
		Recovery of Loans and advances	1,057
		Miscellaneous Capital Receipts	...
		Public Debt	21,220
		Cash Decrease	1,215
		Contingency Fund	...
		TOTAL	1,22,320
		PARTICULARS	AMOUNT
APPLICATION (in crore of Rupees)		Revenue Expenditure	97,067
		Loans given	4,769
		Capital Expenditure	14,568
		Repayment of Public Debt	5,015
		Contingency Fund	..
		Public Account Deficit	901
		TOTAL	1,22,320

The total receipts were sufficient to meet 99.7 per cent of the total expenditure, leaving a Fiscal Deficit of ₹16,519 crore. The Revenue Surplus (difference between total Revenue Expenditure and total Revenue Receipts) for the year was ₹1,761 crore. In terms of GSDP (Gross State Domestic Product) Fiscal Deficit was 2.2 per cent of GSDP (₹7,44,474 crore) and Revenue Surplus was 0.2 per cent of GSDP.

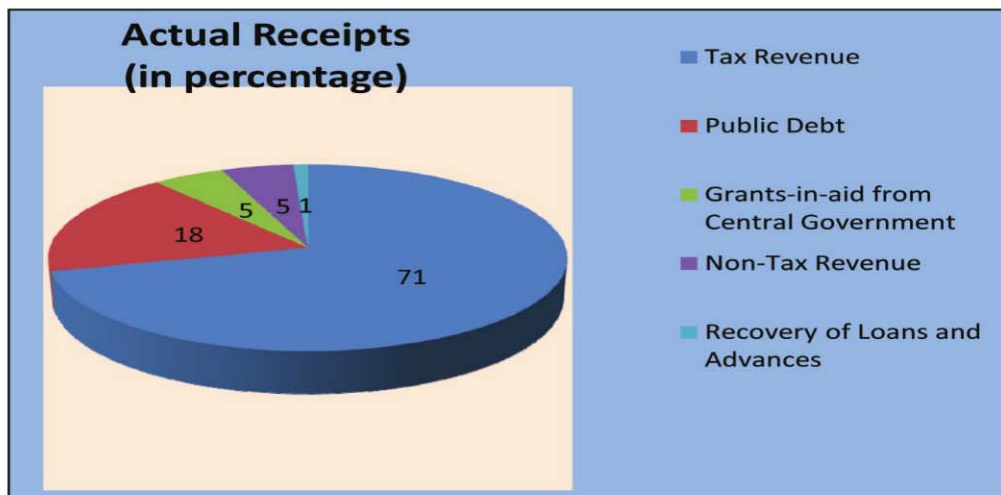
1.5.1 Sources Financing the Deficit

The Fiscal deficit of ₹16,519 crore was financed entirely from Public Debt.

1.5.2 Where the Rupee came from?

The total expenditure for the year 2012-13 was ₹1,22,320 crore. For every rupee spent, 81 paise came from Revenue Receipts (Tax Revenue (71 paise), Non-Tax Revenue (5 paise) and Grants-in-aid from Central Government (5 paise)), Public Debt (18 paise) and Recovery of Loans and Advances (1 paise) as depicted in Chart 1. Thus, the main sources of funds were Tax Revenue and Borrowings. The cumulative Public Debt at the end of 2012-13 stood at ₹1,20,204 crore (discussed in Para 5.2). The position is brought out in percentage terms in Chart 1.

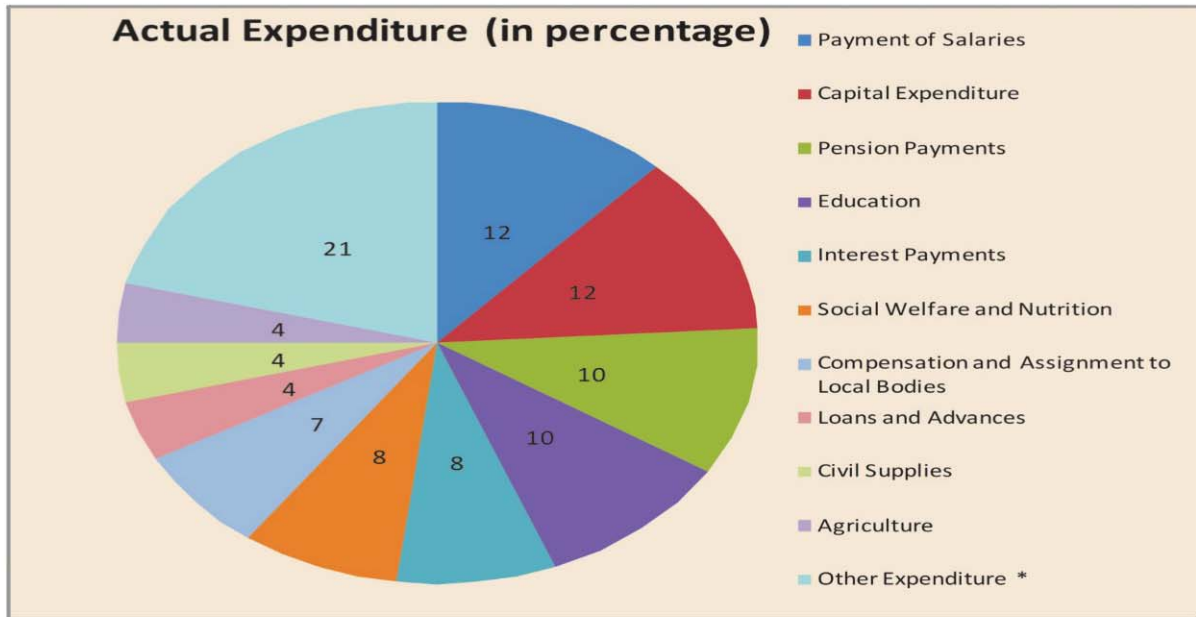
Chart 1



1.5.3 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, 12 paise went for payment of Salaries, 12 paise for Capital Expenditure, 10 paise for Pension Payments, 10 paise for Education, 8 paise for Interest Payments, 8 paise for Social Welfare and Nutrition, 7 paise for Compensation and Assignments to Local Bodies and Panchayati Raj Institutions, 4 paise for Loans and Advances, 4 paise for Agriculture, 4 paise for Civil Supplies and the balance 21 paise was for Other Expenditure*. The position is brought out in percentage terms in Chart 2.

Chart 2



* Other Expenditure of 21 paise includes Repayment of Public Debt (4 paise), Health and Family Welfare (3 paise) and Others (14 paise).

1.6 Deficit - What do they indicate?

Deficit in Government 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 Surplus:- Revenue Receipt minus Revenue Expenditure

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 2012-13 the Revenue Account resulted in a surplus of ₹1,761 crore.

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

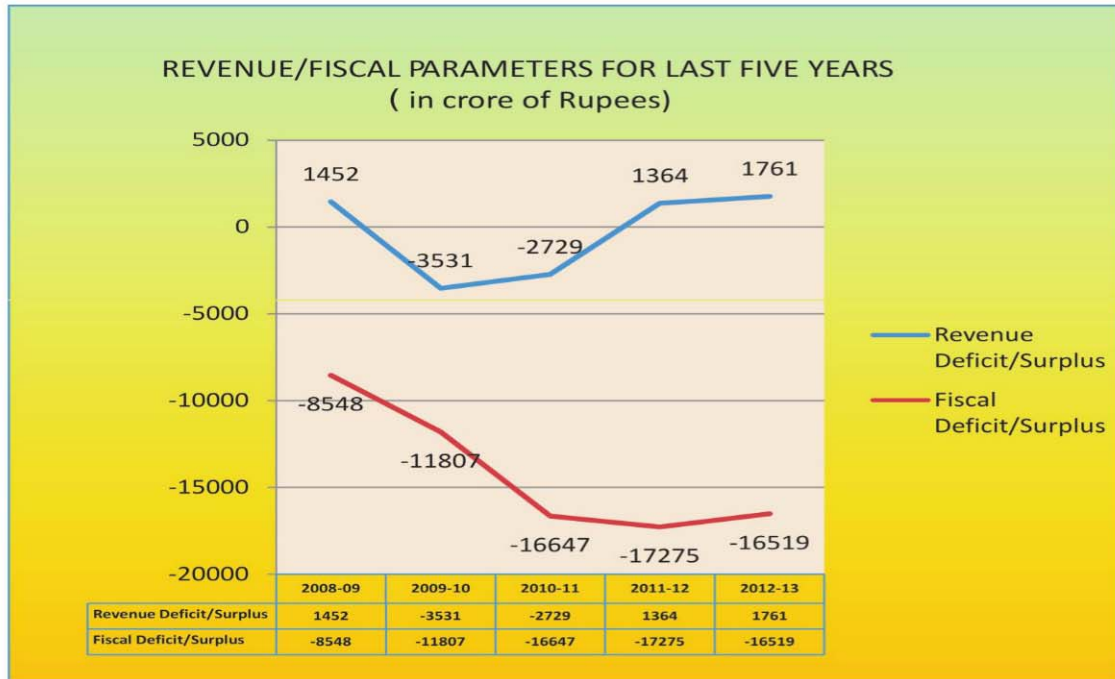
It is a measure of total expenditure which is financed by 'Borrowings'. During the year 2012-13, Fiscal Deficit comprising of Borrowings and other Liabilities was ₹16,519 crore.

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 of Rupees)	Percentage of Revenue Deficit (-) / Surplus (+) to GSDP*	Fiscal Deficit (-) / Surplus (+) (in crore of Rupees)	Percentage of Fiscal Deficit (-) / Surplus (+) to GSDP*
2008-2009	+1,452	+0.4	-8,548	-2.5
2009-2010	-3,531	-0.9	-11,807	-3.1
2010-2011	-2,729	-0.5	-16,647	-3.1
2011-2012	+1,364	+0.2	-17,275	-2.7
2012-2013	+1,761	+0.2	-16,519	-2.2

*GSDP: ₹7,44,474 crore

Chart 3



Revenue Surplus in 2008-09 and Revenue Deficit in 2009-10 and 2010-11 turned to Revenue Surplus in 2011-12 and 2012-13. The Tax Revenue in 2012-13 has increased by 19 per cent, Non-Tax Revenue increased by 15 per cent and the Grants from Government of India decreased by 11 per cent resulting in an overall increase in Revenue Receipts by 16 per cent as compared to previous year. There has been an overall increase of only 16 per cent in Revenue Expenditure as compared to previous year contributing to net Revenue Surplus amounting to ₹1,761 crore at the end of the year.

The Fiscal Deficit of the State increased from ₹8,548 crore in 2008-09 to ₹16,519 crore in 2012-13 as shown in the Table at previous page

The Fiscal Deficit for 2012-13 was ₹16,519 crore constituting 2.2 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 the year 2007-08, the norms as per Tamil Nadu Fiscal Responsibility Act, 2003 were achieved. However, in 2008-09, the Fiscal Deficit/GSDP ratio had increased by 1.2 per cent as compared to 2007-08 and in 2009-10, the ratio 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.

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 2008-09, 2011-12 and 2012-13.

1.7 Highlights of Accounts

(in crore of Rupees)				
Sl. No.	Particulars	B.E 2012-13	Actuals	Percentage of Actuals to B.E
1	Tax Revenue	86,493	85,774	99.2
2	Non-Tax Revenue	6,033	6,554	108.6
3	Grants from Central Government	8,064	6,500	80.6
4	Total Revenue Receipts	1,00,590	98,828	98.2
5	Recovery of Loans & Advances	152	1,057	695.4
6	Other Receipts
7	Borrowings and other liabilities (B)	19,832	16,519	83.3
8	Total Capital Receipts (A)	19,984	17,576	87.9
9	Total Receipts	1,20,574	1,16,404	96.5
10	Expenditure on Revenue Account	98,214	97,067	98.8
11	Expenditure on Capital Account (C)	22,360	19,337	86.5
12	Total Expenditure	1,20,574	1,16,404	96.5
13	Revenue Surplus (+)(4-10)	2,376	1,761	..
14	Fiscal Deficit (4+5+6-12)	-19,832	-16,519	..

- (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: ₹ 7,44,474 crore.

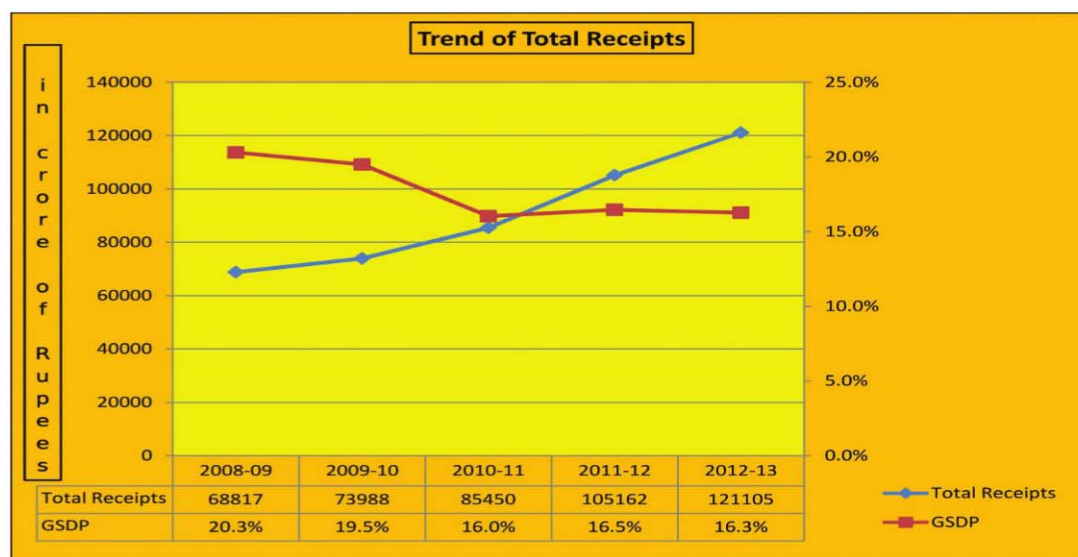
CHAPTER - II

RECEIPTS

2.1 Introduction

Total receipts for the current year were ₹1,21,105 crore (Revenue Receipts ₹98,828 crore and Capital Receipts ₹22,277 crore) as shown in Chart 4. Based on their source, receipts of Government are classified into Revenue Receipts and Capital Receipts.

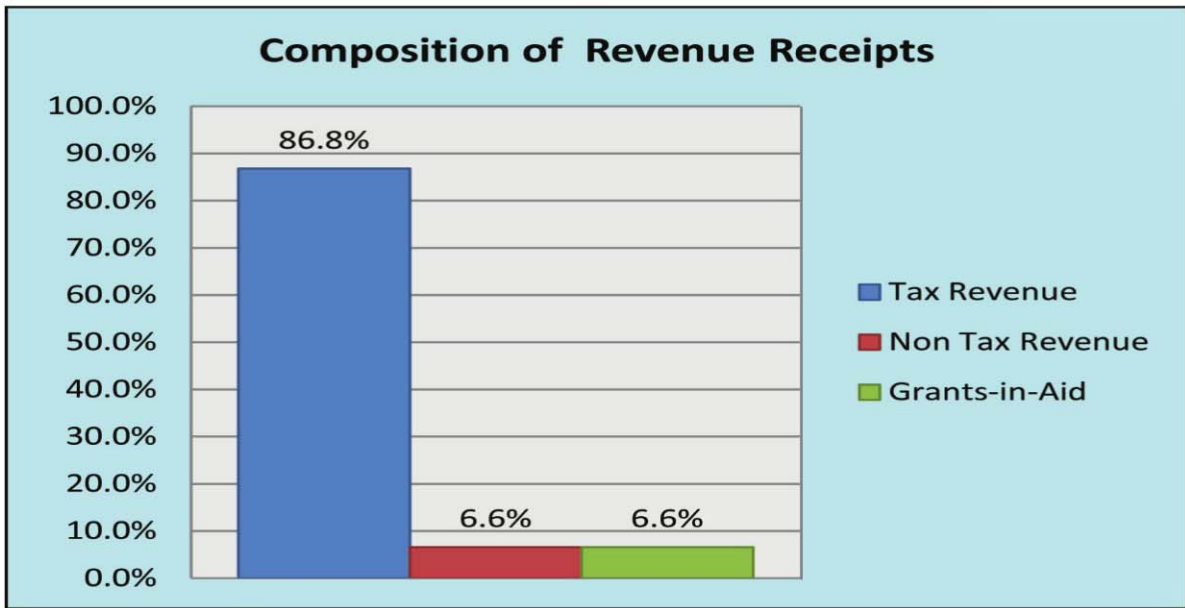
Chart 4



2.2 Revenue Receipts

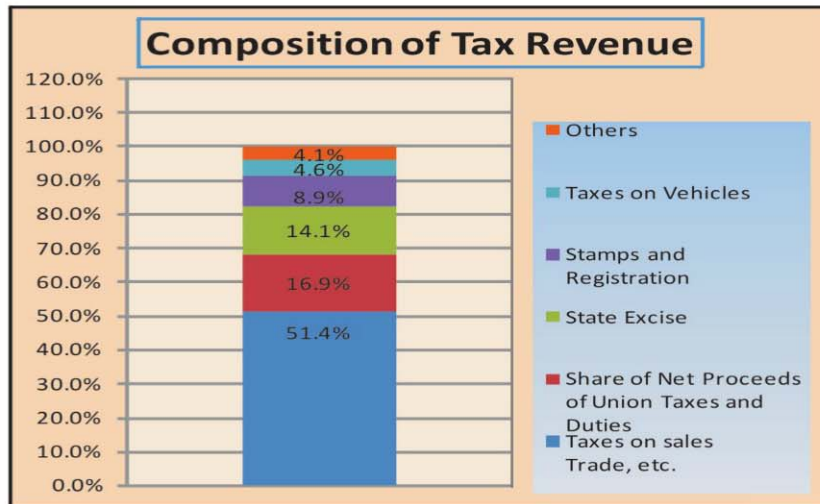
Tax Revenue of ₹85,774 crore and Non-Tax Revenue of ₹6,554 crore formed 11.5 per cent and 0.9 per cent respectively of GSDP. Revenue receipts include ₹6,500 crore received from Government of India as Grants-in-aid. The share of 'Tax Revenue' to 'Total Revenue Receipts' was 86.8 per cent, while 'Non-Tax Revenue' and 'Grants-in-Aid' accounted for 6.6 per cent and 6.6 per cent respectively as shown in Chart 5.

Chart 5



Tax Revenue included ₹14,520 crore representing 'Share of Net Proceeds of Union Taxes and Duties' assigned to the State (16.9 per cent). Major contributors to States' own Tax Revenue receipts were (i) Taxes on Sales, Trade, etc., ₹44,041 crore (51.4 per cent), (ii) State Excise ₹12,126 crore (14.1 per cent), (iii) Stamps and Registration Fees ₹7,645 crore (8.9 per cent), (iv) Taxes on Vehicles ₹3,928 crore (4.6 per cent) and (v) Others ₹3,514 crore (4.1 per cent) as shown in Chart 6.

Chart 6



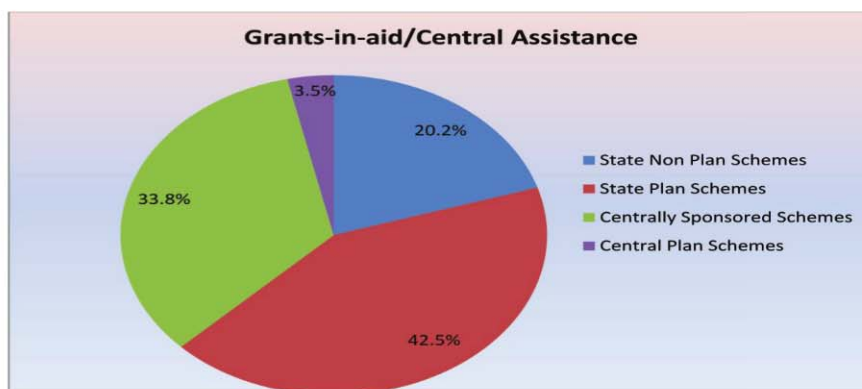
Tax Revenue during the year was lesser than the Budget Estimate by ₹719 crore, the decrease being mainly under Corporation Tax, Stamps and Registration, Taxes on Wealth, Customs Duties, Union Excise Duties, Taxes on Goods and Passengers and Taxes on Vehicles. Non-Tax Revenue during the year was higher than the Budget Estimate by ₹521 crore, mainly on account of more collection under Interest Receipts, Tamil Nadu Public Service Commission Examination Fees, Miscellaneous General Services, Medical and Public Health, Water Supply and Sanitation, Industries, Housing, Ports and Light Houses, Police and Other General Economic Services.

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 2012-13 were ₹6,500 crore which was less by 10.8 per cent of 2011-12 as shown in the table below and Chart 7.

Item	Amount (in crore of Rupees)	Percentage to total Grant
State Non Plan Schemes	1,311	20.2
State Plan Schemes	2,765	42.5
Centrally Sponsored Schemes	2,200	33.8
Central Plan Schemes	224	3.5
Total	6,500	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 of Rupees)	Percentage to total Capital Receipts
A. Public Debt	21,220	95.3
1. Internal Debt	19,860	89.2
2. Government of India Loans and Advances	1,360	6.1
B. Recovery of Loans and Advances	1,057	4.7
Total	22,277	100.0