



सत्यमेव जयते

ACCOUNTS AT A GLANCE 2013-14



GOVERNMENT OF TAMIL NADU





ACCOUNTS AT A GLANCE FOR THE YEAR 2013-14



GOVERNMENT OF TAMIL NADU



PREFACE

This is the sixteenth 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 : 25.11.2014



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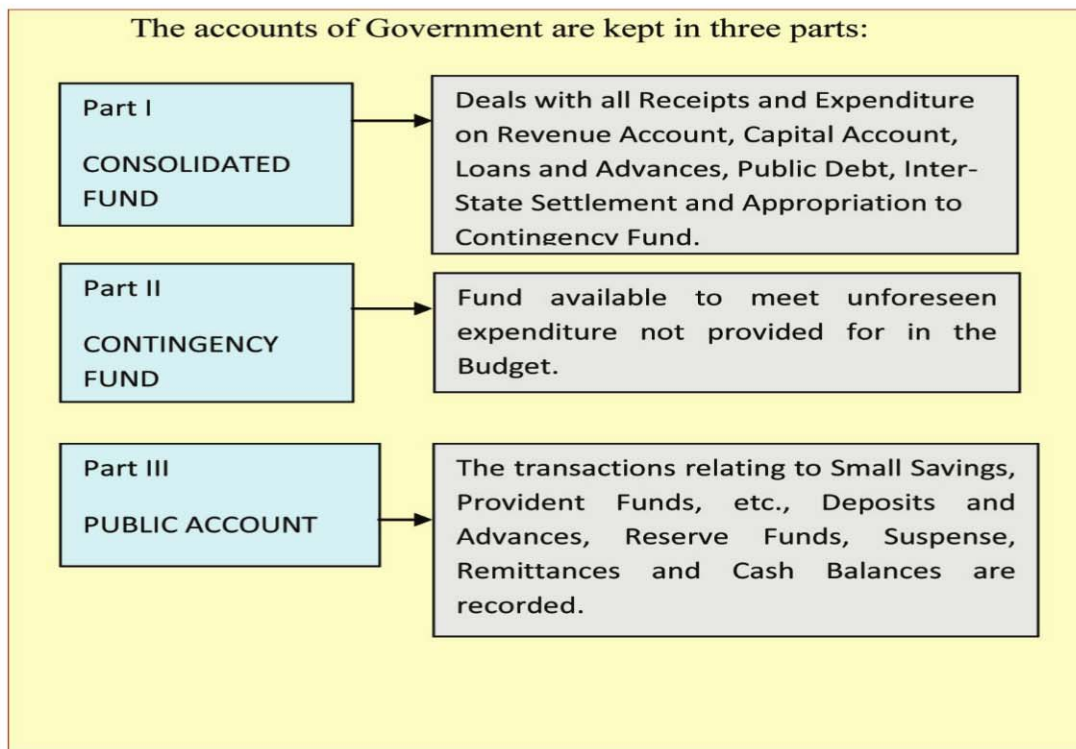


CHAPTER-I
OVERVIEW

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 2013-14 total Receipts amounted to ₹1,29,240 crore comprising ₹108,036 crore Revenue Receipts (₹89,571 crore Tax revenue, ₹9,343 crore Non-Tax revenue and ₹9,122 crore Grants from Central Government) and ₹21,204 crore Net Capital Receipts consisting of Recovery of Loans and Advances (₹620 crore) and Borrowings and Other Liabilities (₹20,584 crore).

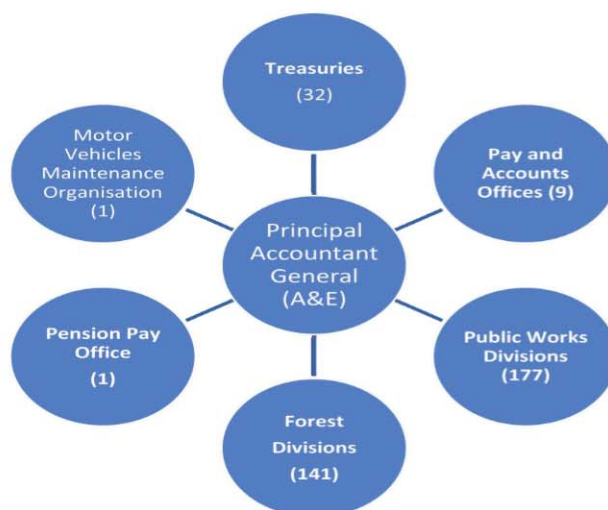
Disbursements during the year were ₹1,29,240 crore comprising ₹1,09,825 crore (85 per cent) on Revenue Account and ₹19,415 crore (15 per cent) on Capital Account. The Capital Account consists of Capital expenditure (₹17,173 crore) and Loans and Advances (₹2,242 crore).

Part II Contingency Fund: The Contingency Fund has a corpus of ₹150 crore. During the current year, a total of ₹96 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 2014.

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 2014 was ₹30,209 crore and assets through cash balance investment was ₹14,048 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
(Accounts and Entitlements)**



During the year 2013-14, there was no significant delay in the rendition of accounts by Treasuries, Pay and Accounts Offices, Public Works Divisions and Forest Divisions. Vouchers for ₹0.01 crore were due to be received for the year 2013-14 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 2013-14, the Government of India have directly released ₹10,834 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 2013-14 had projected for a gross expenditure of ₹1,63,708 crore, including the Supplementary Grants totalling ₹11,836 crore, voted by State Legislature during the year. An amount of ₹2,057 crore was projected as recoveries in reduction of expenditure.

Appropriation Accounts 2013-14 showed disbursements aggregating ₹1,37,692 crore against the aggregate budget provision of ₹1,63,708 crore, resulting in net saving of ₹26,016 crore against Grants and Appropriations.

Actual Recoveries in reduction of expenditure amounted to ₹3,475 crore reflecting an increase of ₹1,418 crore vis-à-vis Budget Estimate of ₹2,057 crore.

1.5 Sources and Application of Funds

During the year 2013-14, Government raised revenue of ₹1,08,656 crore and debt of ₹24,814 crore. Total funds received in the Consolidated Fund of the State were ₹1,33,470 crore. Out of this ₹4,977 crore was utilized to repay Public Debt and ₹1,29,240 crore was spent on Government activities. Total expenditure from the Fund was ₹1,34,217 crore. Expenditure incurred from Contingency Fund remaining unrecouped at the close of the year was ₹19 crore. This has resulted in a deficit of ₹747 crore. This together with Public Account surplus of ₹1,549 crore had increased the Cash Balance by ₹783 crore.

Sources and Application of Funds

		PARTICULARS	AMOUNT
		SOURCES (₹ in crore)	Revenue Receipts
Recovery of Loans and advances	620		
Miscellaneous Capital Receipts	...		
Public Debt	24,814		
Cash Decrease	..		
Public Account Surplus	1,549		
TOTAL	1,35,019		
			PARTICULARS
APPLICATION (₹ in crore)	Revenue Expenditure	1,09,825	
	Loans given	2,242	
	Capital Expenditure	17,173	
	Repayment of Public Debt	4,977	
	Contingency Fund	19	
	Cash Increase	783	
	TOTAL	1,35,019	

The total receipts were sufficient to meet only 99.4 per cent of the total expenditure, leaving a Fiscal Deficit of ₹20,584 crore. The Revenue Deficit (difference between total Revenue Expenditure and total Revenue Receipts) for the year was ₹1,788 crore. In terms of GSDP (Gross State Domestic Product) Fiscal Deficit was 2.4 per cent of GSDP (₹8,54,238 crore) and Revenue Deficit was 0.2 per cent of GSDP.

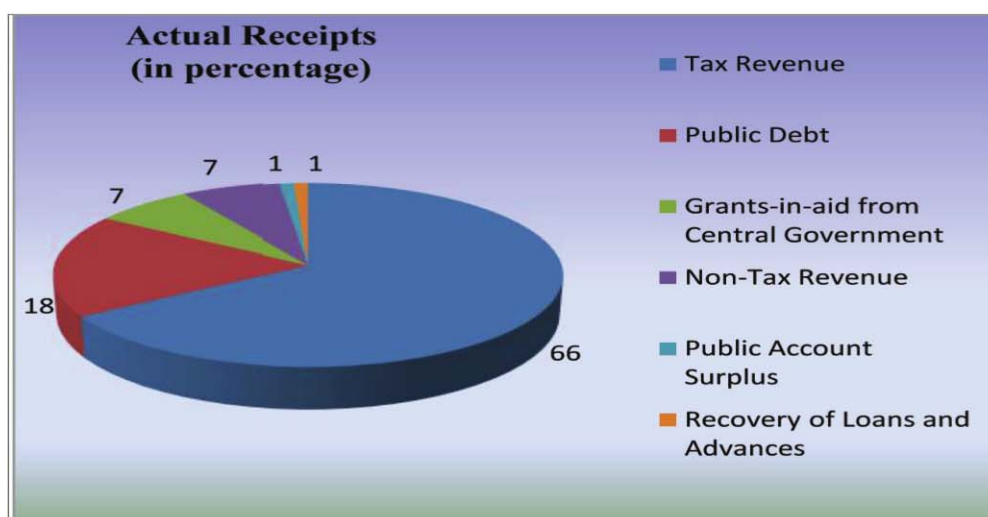
1.5.1 Sources Financing the Deficit

The Fiscal deficit of ₹20,584 crore was financed entirely from Public Debt.

1.5.2 Where the Rupee came from?

The total expenditure for the year 2013-14 was ₹1,35,019 crore. For every rupee spent, 80 paise came from Revenue Receipts (Tax Revenue (66 paise), Public Debt (18 paise), Grants-in-aid from Central Government (7 paise), Non-Tax Revenue (7 paise) and Public Account Surplus (1 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 2013-14 stood at ₹1,40,042 crore (discussed in Para 5.2). The position is brought out in percentage terms in Chart 1.

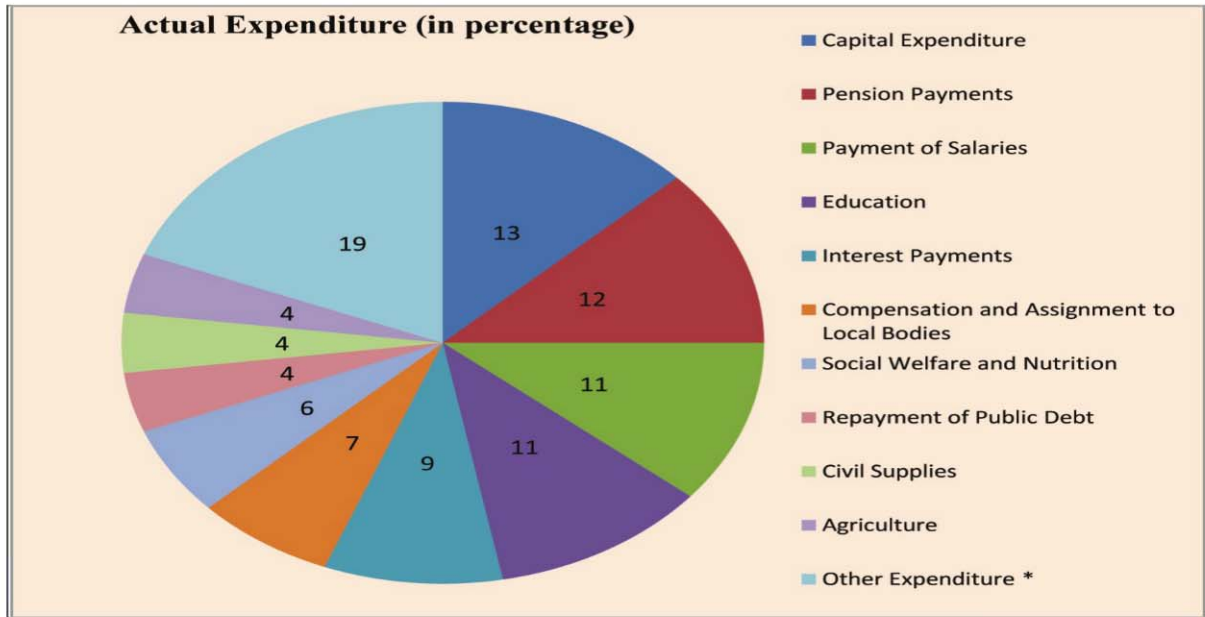
Chart 1



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, 13 paise for Capital Expenditure, 12 paise for Pension Payments, 11 paise went for payment of Salaries, 11 paise for Education, 9 paise for Interest Payments, 7 paise for Compensation and Assignments to Local Bodies and Panchayati Raj Institutions, 6 paise for Social Welfare and Nutrition, 4 paise for Repayment of Public Debt, 4 paise for Civil Supplies, 4 paise for Agriculture, and the balance 19 paise was for Other Expenditure*. The position is brought out in percentage terms in Chart 2.

Chart 2



* Other Expenditure of 19 paise includes Health and Family Welfare (3 paise), Loans and Advances (2 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 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 2013-14 the Revenue Account resulted in a Deficit of ₹1,788 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 2013-14, Fiscal Deficit comprising of Borrowings and other Liabilities was ₹20,584 crore.

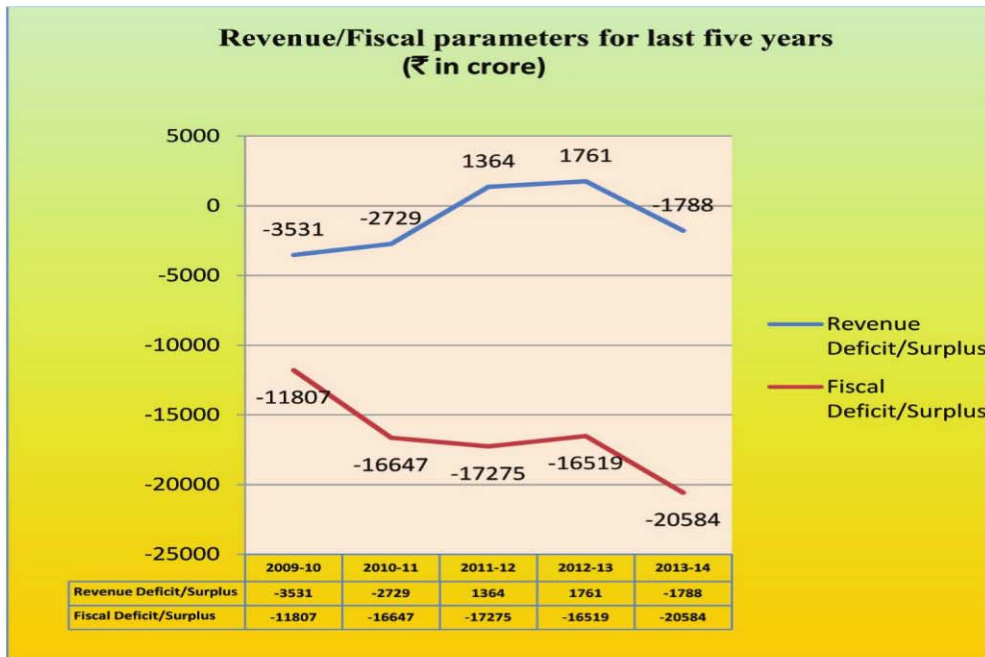
1.6.1 Trend of Revenue Deficit / Surplus and Fiscal Deficit for the last five years is shown in the table below and Chart 3:

(₹ in crore)

Revenue/Fiscal Parameters				
Year	Revenue Deficit (-) / Surplus (+)	Percentage of Revenue Deficit (-) / Surplus (+) to GSDP*	Fiscal Deficit (-) / Surplus (+)	Percentage of Fiscal Deficit (-) / Surplus (+) to GSDP*
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
2013-2014	-1,788	-0.2	-20,584	-2.4

*GSDP: ₹8,54,238 crore

Chart 3



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

The Tax Revenue in 2013-14 has increased by 4.4 per cent, Non-Tax Revenue increased by 42.5 per cent and the Grants from Government of India increased by 40.4 per cent resulting in an overall increase in Revenue Receipts by 9.3 per cent as compared to previous year. There has been an overall increase of 13 per cent in Revenue Expenditure as compared to previous year contributing to net Revenue Deficit amounting to ₹1,788 crore at the end of the year.

The Fiscal Deficit of the State increased from ₹11,807 crore in 2009-10 to ₹20,584 crore in 2013-14 as shown in the Table at previous page.

The Fiscal Deficit for 2013-14 was ₹20,584 crore constituting 2.4 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.

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 in 2013-14 it turned out to Revenue Deficit.

1.7 Highlights of Accounts

(₹ in crore)

Sl. No.	Particulars	B.E 2013-14	Actuals	Percentage of Actuals to B.E
1	Tax Revenue	1,03,351	89,571	86.7
2	Non-Tax Revenue	6,765	9,343	138.1
3	Grants from Central Government	8,464	9,122	107.8
4	Total Revenue Receipts	1,18,580	1,08,036	91.1
5	Recovery of Loans & Advances	339	620	182.9
6	Other Receipts
7	Borrowings and other liabilities (B)	22,939	20,584	89.7
8	Total Capital Receipts (A)	23,278	21,204	91.1
9	Total Receipts	1,41,858	1,29,240	91.1
10	Expenditure on Revenue Account	1,17,916	1,09,825	93.1
11	Expenditure on Capital Account (C)	23,942	19,415	81.1
12	Total Expenditure	1,41,858	1,29,240	91.1
13	Revenue Surplus (+)(4-10)/ Deficit (-) (10-4)	664	-1,788	..
14	Fiscal Deficit (4+5+6-12)	-22,939	-20,584	..

- (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: ₹ 8,54,238 crore.

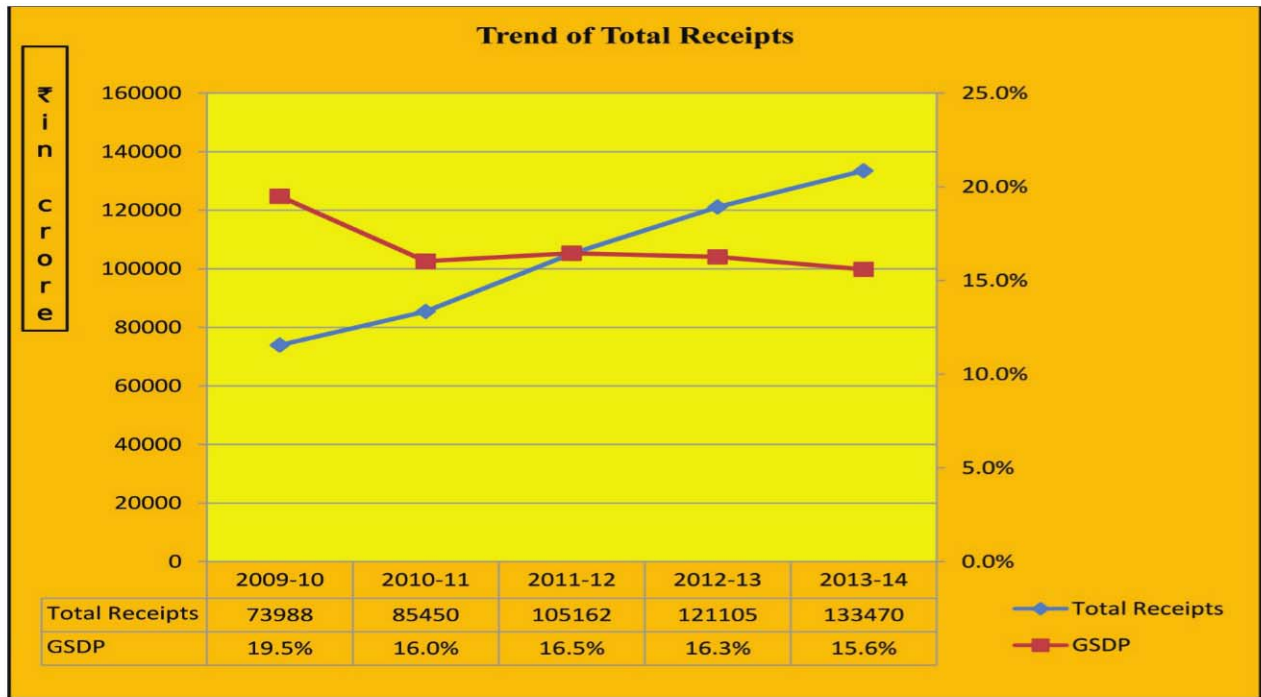
CHAPTER - II

RECEIPTS

2.1 Introduction

Total receipts for the current year were ₹1,33,470 crore (Revenue Receipts ₹1,08,036 crore and Capital Receipts ₹25,434 crore) as shown in Chart 4. Based on their source, receipts of Government are classified into Revenue Receipts and Capital Receipts.

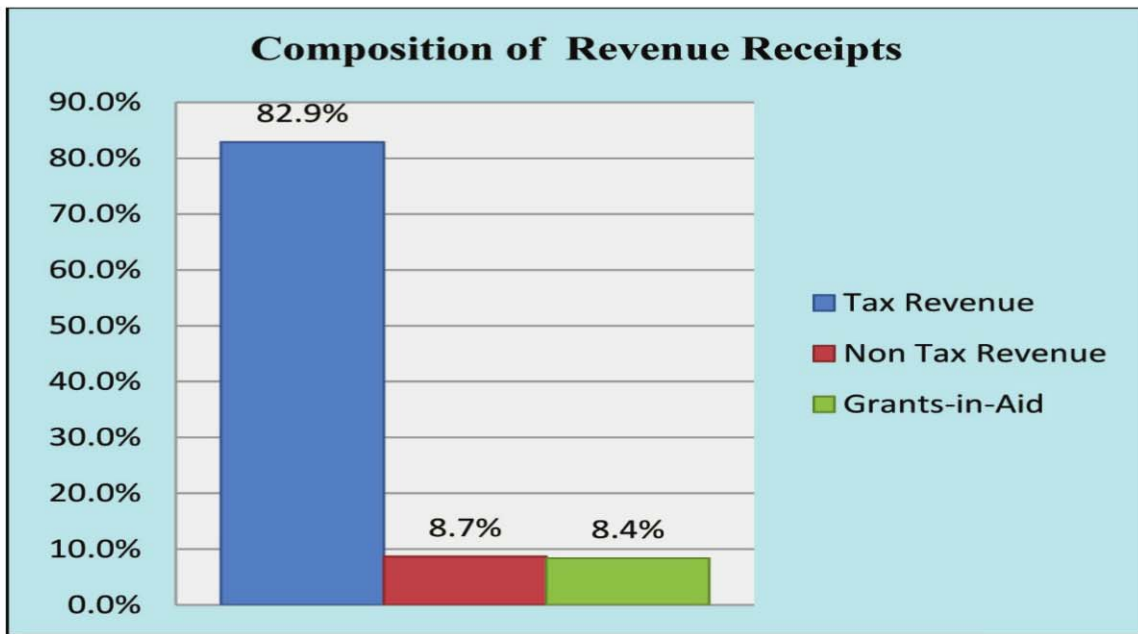
Chart 4



2.2 Revenue Receipts

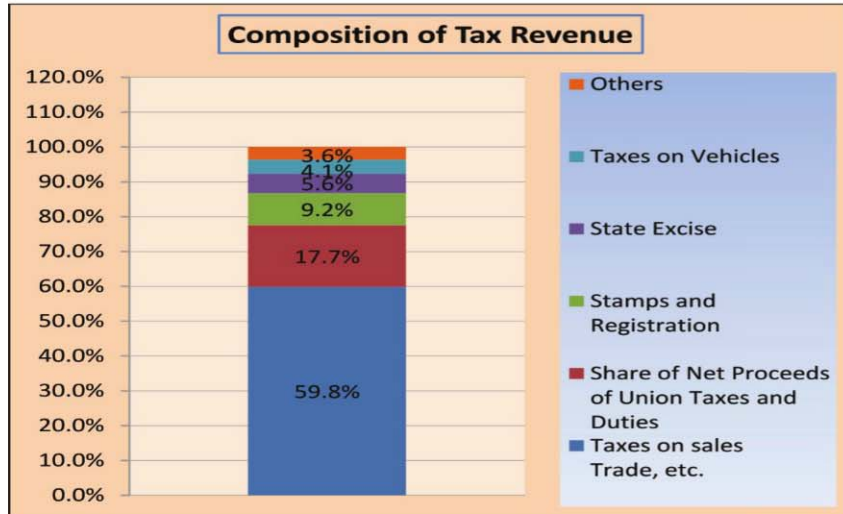
Tax Revenue of ₹89,571 crore and Non-Tax Revenue of ₹9,343 crore formed 10.5 per cent and 1.1 per cent respectively of GSDP. Revenue receipts include ₹9,122 crore received from Government of India as Grants-in-aid. The share of 'Tax Revenue' to 'Total Revenue Receipts' was 82.9 per cent, while 'Non-Tax Revenue' and 'Grants-in-Aid' accounted for 8.7 per cent and 8.4 per cent respectively as shown in Chart 5.

Chart 5



Tax Revenue included ₹15,853 crore representing 'Share of Net Proceeds of Union Taxes and Duties' assigned to the State (17.7 per cent). Major contributors to States' own Tax Revenue receipts were (i) Taxes on Sales, Trade, etc., ₹53,532 crore (59.8 per cent), (ii) Stamps and Registration Fees ₹8,251 crore (9.2 per cent), (iii) State Excise ₹5,035 crore (5.6 per cent), (iv) Taxes on Vehicles ₹3,684 crore (4.1 per cent) and (v) Others ₹3,216 crore (3.6 per cent) as shown in Chart 6.

Chart 6



Tax Revenue during the year was lesser than the Budget Estimate by ₹13,780 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 ₹2,578 crore, mainly on account of more collection under Interest Receipts, Miscellaneous General Services, Medical and Public Health, Water Supply and Sanitation, Industries, Housing and Other General Economic Services.

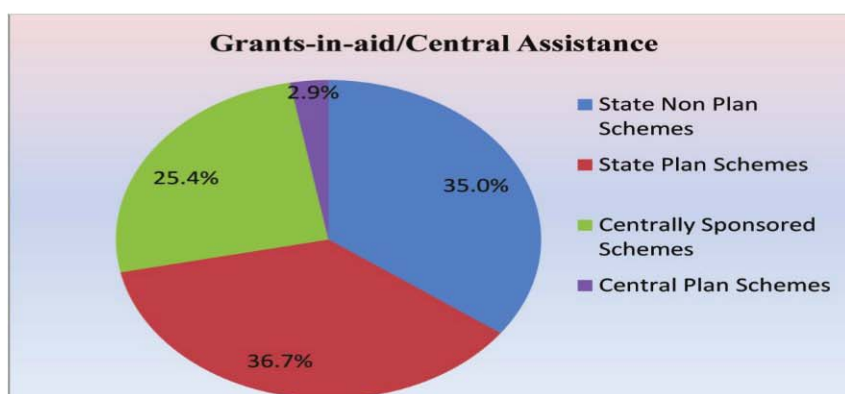
2.3 Grants-in-aid/Central assistance

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 2013-14 were ₹9,122 crore which was more by 40.4 per cent of 2012-13 as shown in the table below and Chart 7.

(₹ in crore)

Item	Amount	Percentage to total Grant
State Non Plan Schemes	3,194	35.0
State Plan Schemes	3,349	36.7
Centrally Sponsored Schemes	2,315	25.4
Central Plan Schemes	264	2.9
Total	9,122	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.

(₹ in crore)

Item	Amount	Percentage to total Capital Receipts
A. Public Debt	24,814	97.6
1. Internal Debt	22,803	89.7
2. Government of India Loans and Advances	2,011	7.9
B. Recovery of Loans and Advances	620	2.4
Total	25,434	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 ₹1,09,825 crore for the current year represents the amount spent on payment of Pension (₹16,845 crore), expenditure on Education, Sports, Art and Culture (₹15,231 crore), payment of Salaries (Pay ₹15,190 crore), payment of Interest (₹12,405 crore), expenditure on Social Welfare and Nutrition (₹8,050 crore), expenditure on Health and Family Welfare (₹3,406 crore) and others (₹38,698 crore). Revenue Expenditure (₹1,09,825 crore) was 12.9 per cent of GSDP. It was less than Budget Estimate by ₹8,091 crore (₹8,275 crore increase under Non-Plan and ₹184 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 2013-14 was ₹24,392 crore as shown in the table below:

SECTOR-WISE CAPITAL EXPENDITURE

(₹ in crore)

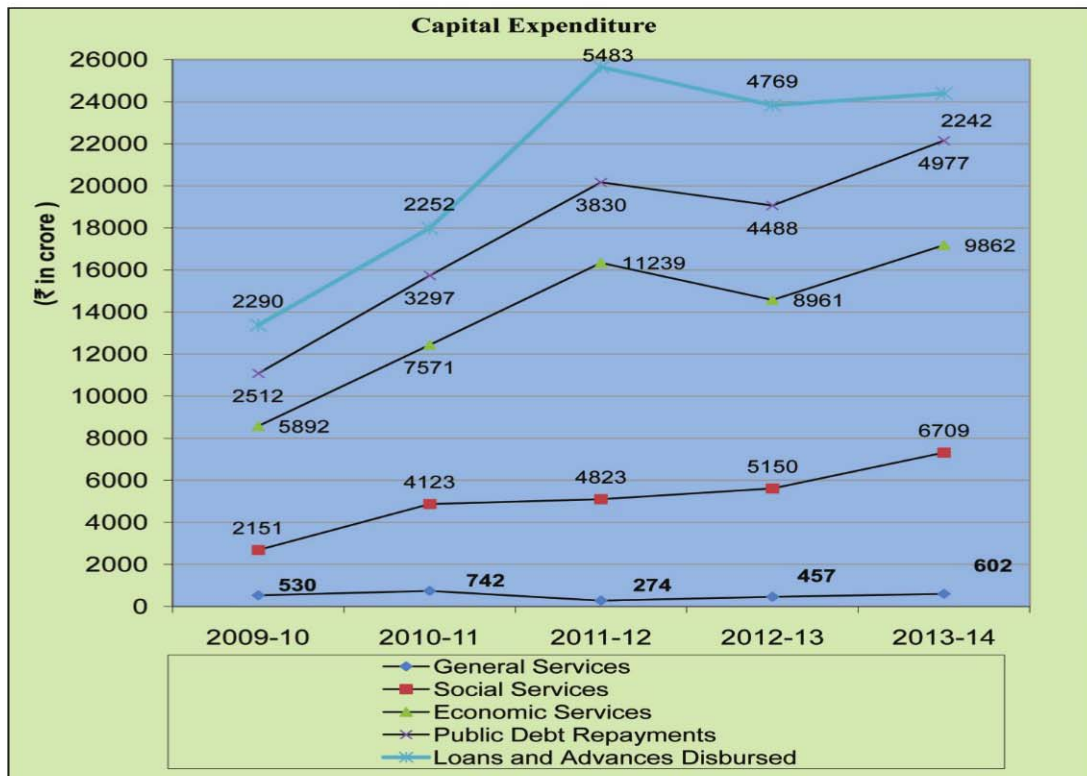
Sector	Amount	Percentage to Total Capital Expenditure
1. General Services - Police, Public Works etc.	602	2.5
2. Social Services - Education, Health and Family Welfare, Water Supply, Welfare of SC/STs etc.	6,709	27.5
3. Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	9,862	40.4
4. Repayment of Public Debt	4,977	20.4
(a) Internal Debt of the State Government	4,280	17.5
(b) Loans and Advances from the Central Government	697	2.9
5. Loans and Advances Disbursed	2,242	9.2
Total	24,392	100.0

Out of the total Capital expenditure, 2.5 per cent was spent under General Services, 27.5 per cent under Social Services, 40.4 per cent under Economic Services, 20.4 per cent for repayment of Public Debt and 9.2 per cent for disbursement of Loans and Advances during the year 2013-14.

3.3.1 Trend in Capital Expenditure

Compared to the previous year, there was increase in Capital Expenditure in 2013-14 on General Services, Social Services and Repayment of Public Debt while the expenditure in Economic 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)

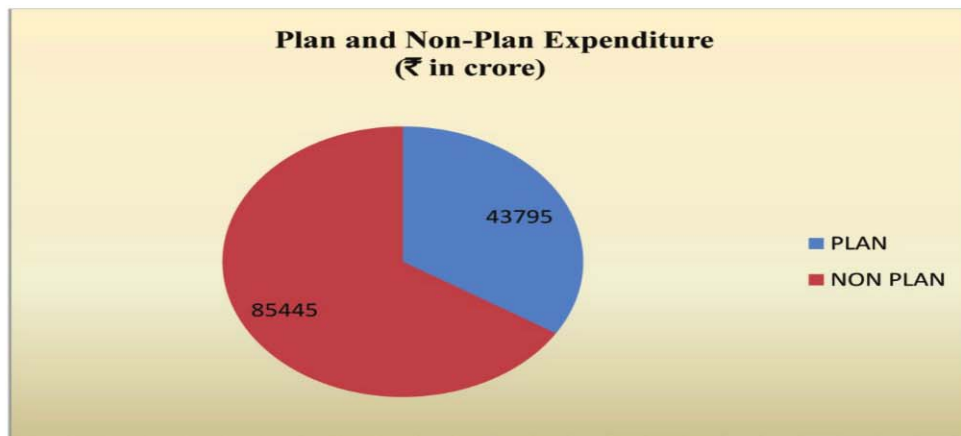
During the year 2013-14, Plan Expenditure representing 33.9 per cent of total disbursements, was ₹43,795 crore (₹41,263 crore under State Plan and ₹2,532 crore under Centrally Sponsored Schemes).

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

Non-Plan Expenditure during 2013-14 representing 66.1 per cent of total disbursements was ₹85,445 crore, consisting of ₹83,291 crore under Revenue and ₹2,154 crore under Capital and Loans and Advances.

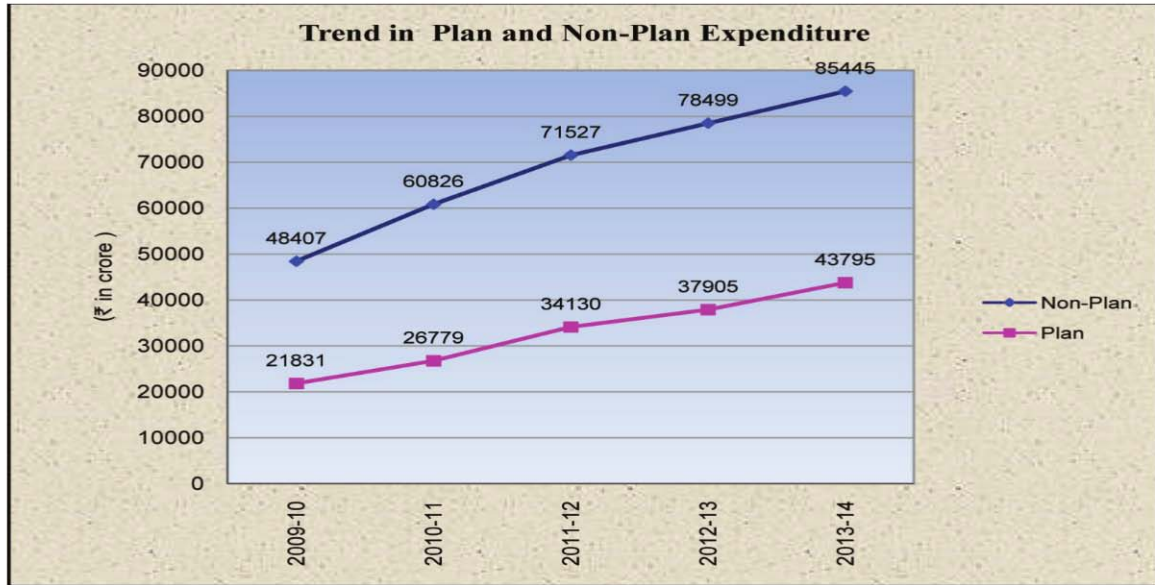
The following pie-chart shows the distribution of Expenditure under Plan and Non-Plan (Revenue, Capital and Loans and Advances) for the year 2013-14:

Chart 9



3.4.3 Trend in total Plan and Non-Plan expenditure under Revenue and Capital sections for the past five years from 2009-10 to 2013-14 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 2009-10 to 2013-14 are depicted in Charts 11 to 14:

Chart 11

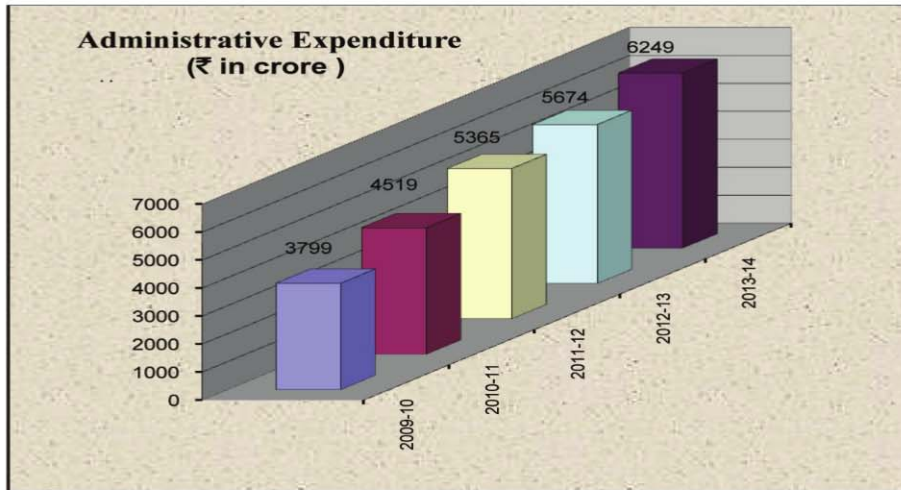


Chart 12

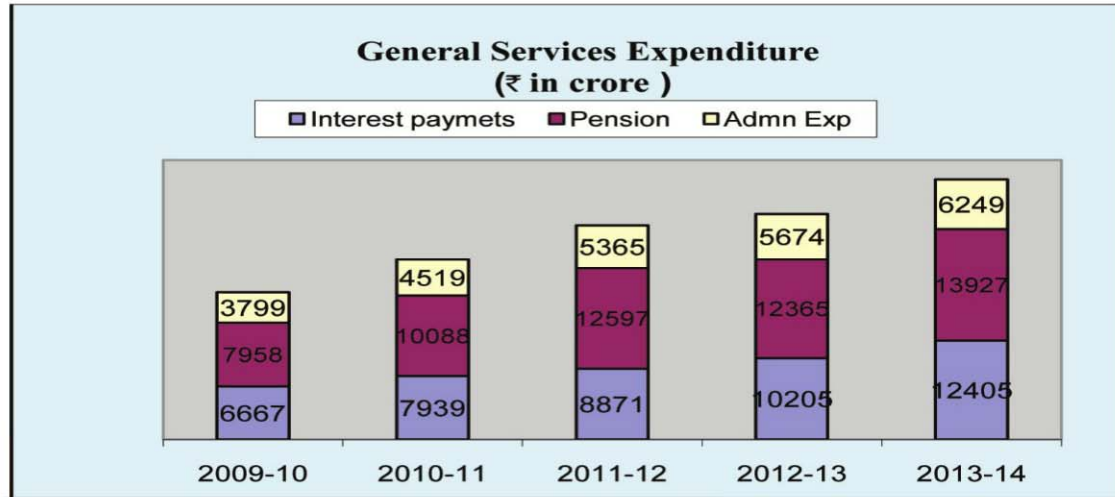


Chart 13

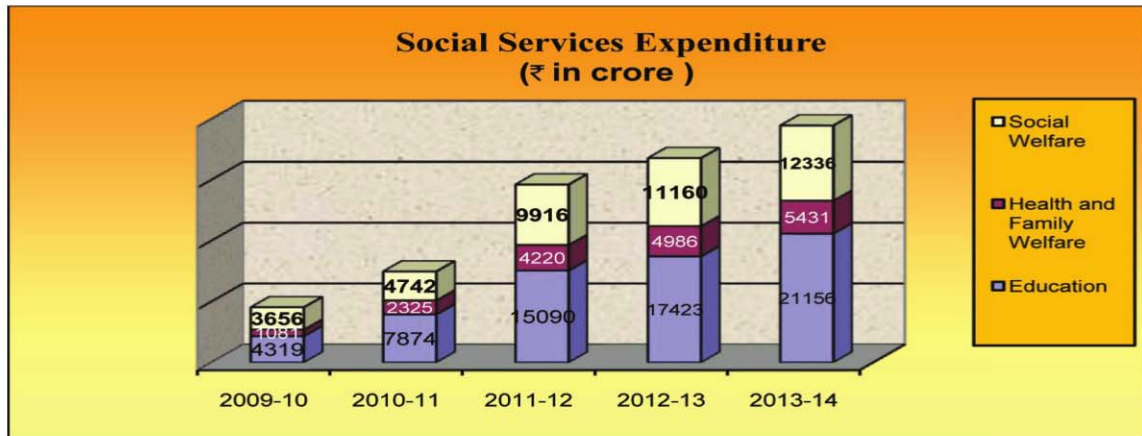
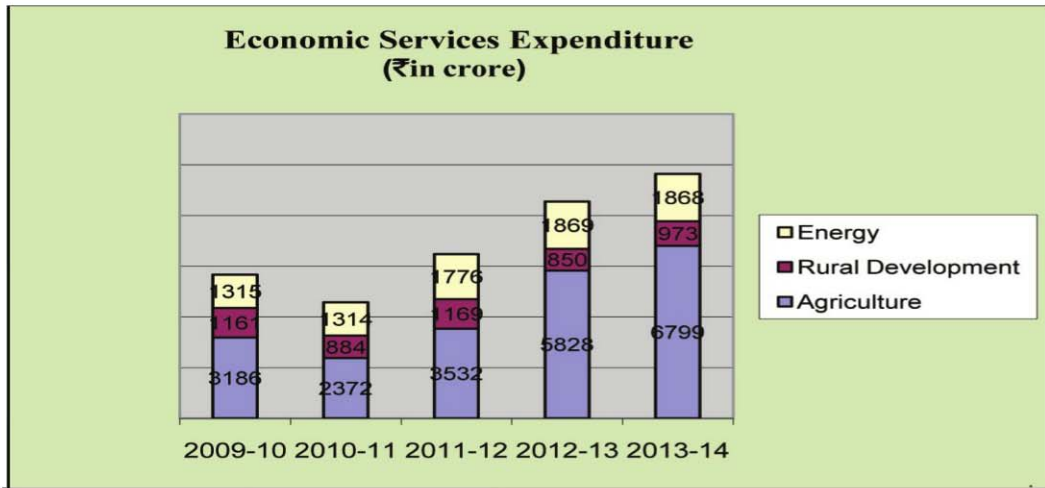


Chart 14



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 2013-14, there was an expenditure of ₹1,37,692 crore comprising of ₹1,13,037 crore Revenue Expenditure, ₹17,436 crore Capital Expenditure, ₹4,977 crore Repayment of Public Debt and ₹2,242 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)	Supplementary grant (b)	Total (c)	Actual expenditure (d)	Saving(-) (e)
1	Revenue Voted Charged	1,05,390 14,411	7,519 20	1,12,909 14,431	1,00,137 12,900	12,772 1,531
2	Capital Voted Charged	22,676 1	2,456 7	25,132 8	17,428 8	7,704 ..
3	Public Debt Charged	7,957	2	7,959	4,977	2,982
4	Loans and Advances Voted	1,437	1,832	3,269	2,242	1,027
Total		1,51,872	11,836	1,63,708	1,37,692	26,016

Though the ultimate saving in different Grants totalled ₹26,016 crore, ₹26,146 crore was surrendered by the departments at the end of the year indicating that the assessment of their requirement was not accurate.

4.3 Actual net expenditure - Reconciliation between Appropriation Accounts and Finance Accounts

The actual net expenditure fell short of the estimated expenditure by ₹27,434 crore as shown in the table below:

(₹ in crore)

Details	Budget Estimates	Actual Expenditure	Saving
Gross Expenditure (as per Appropriation Accounts)	1,63,708	1,37,692	(-)26,016
Less- Recoveries	2,057	3,475	(+)1,418
Net expenditure (as per Finance Accounts)	1,61,651	1,34,217	(-)27,434

4.4 Persistent Saving

There has been persistent saving of more than 5 per cent of total provision under Revenue grants/appropriations in 12 Departments during the past five years and in the current year. 10 Departments where major persistent saving has occurred are listed below:

- ❖ Industries Department (Grant No.27) - Saving in the grant was 52.3 per cent to total grant during the year 2013-14. The saving fluctuated between 24.4 per cent and 96.3 per cent during the preceding five years.
- ❖ Planning, Development and Special Initiatives Department (Grant No.36) - Saving in the grant was 37.5 per cent to total grant during the year 2013-14. The saving fluctuated between 11.1 per cent and 36.8 per cent during the preceding five years.
- ❖ Fire and Rescue Services Department (Grant No.23) - Saving in the grant was 22.1 per cent to total grant during the year 2013-14. The saving fluctuated between 6.8 per cent and 24.6 per cent during the preceding five years.

- ❖ State Legislature (Grant No.1) - Saving in the grant was 18.3 per cent to total grant during the year 2013-14. The saving fluctuated between 8 per cent and 10.3 per cent during the preceding five years.
- ❖ Forests (Environment and Forests Department) (Grant No.54) - Saving in the grant was 17.8 per cent to total grant during the year 2013-14. The saving fluctuated between 5 per cent and 14.2 per cent during the preceding five years.
- ❖ Tamil Development (Tamil Development and Information Department) (Grant No.46) - Saving in the grant was 15.5 per cent to total grant during the year 2013-14. The saving fluctuated between 8.9 per cent and 15.0 per cent during the preceding five years.
- ❖ Municipal Administration and Water Supply Department (Grant No.34) - Saving in the grant was 14.4 per cent to total grant during the year 2013-14. The saving fluctuated between 5.6 per cent and 16.2 per cent during the preceding five years.
- ❖ Backward Classes, Most Backward Classes and Minorities Welfare Department (Grant No.9) - Saving in the grant was 12.1 per cent to total grant during the year 2013-14. The saving fluctuated between 7.7 per cent and 13 per cent during the preceding five years.
- ❖ Administration of Justice (Grant No.3) - Saving in the grant was 12 per cent to total grant during the year 2013-14. The saving fluctuated between 5.4 per cent and 19.3 per cent during the preceding five years.
- ❖ Governor and Council of Ministers (Grant No.2) - Saving in the grant was 6.4 per cent to total grant during the year 2013-14. The saving fluctuated between 7.2 per cent and 22.6 per cent during the preceding five years.

There has been no instance of persistent excess to the end of 2013-14 in any grant/appropriation.

CHAPTER - V

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 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.

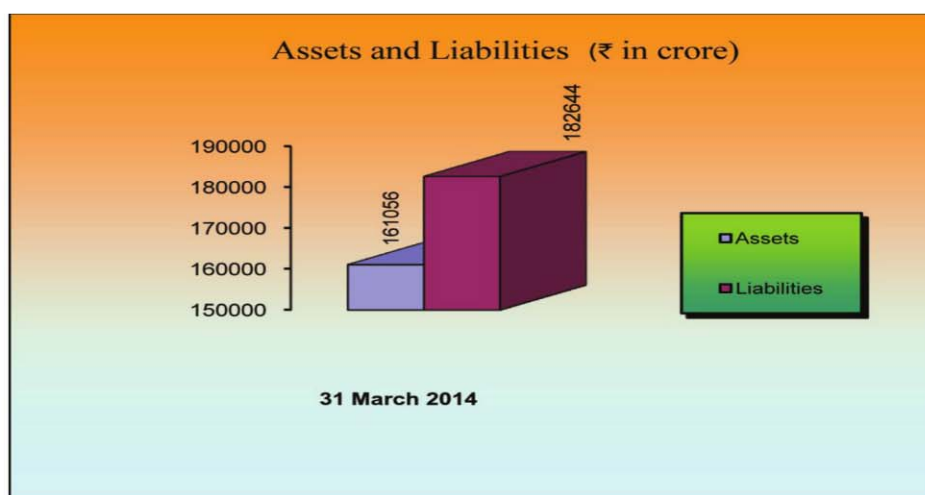
Assets and Liabilities and the Statement of Balances
(Position as on 31 March 2014)

(₹ in crore)

Assets		Liabilities	
Capital Expenditure			
General Services	5,247	Internal Debt	1,27,906
Social Services	37,027	External Debt	..
Economic Services	77,331	Loans from Central Government	12,136
Total	1,19,605	Small Savings	14,009
Loans and Advances		Reserve Fund	5,828
General Services	..	Others	20,887
Social Services	4,943	Other Receipts	1,616
Economic Services	11,692	Cash Balances	262
Total	16,635	Total Liabilities (Available Funds)	1,82,644
Cash Balance	..	Cumulative Resource Gap	(-)21,588
Investments	24,816		
Total Assets	1,61,056	Resource Use	1,61,056

The following Chart shows the position of Assets and Liabilities as on 31 March 2014.

Chart 15



5.1 Assets

Out of the expenditure as on 31 March 2014, total investments as share capital in non-financial Public Sector Undertakings (PSU) was ₹19,724 crore.

1. Dividend received during the year was ₹75 crore (0.4 per cent on investment). During 2013-14, investments in PSUs increased by ₹4,006 crore and dividend income increased by ₹32 crore over the previous year.
2. The expenditure on capital account towards creation of assets was as follows: Agriculture and Allied Activities: ₹9,900 crore, Police: ₹2,227 crore, Education, Sports, Art and Culture: ₹3,021 crore, Health and Family Welfare: ₹3,194 crore, Water Supply and Sanitation and Housing and Urban Development: ₹27,105 crore, Public Works: ₹2,643 crore, Irrigation and Flood Control : ₹10,523 crore, Transport : ₹31,699 crore and on Other Departments: ₹27,677 crore.
3. The Cash Balance as on 31 March 2014 was ₹(-)262 crore and the cash balance investment was ₹14,048 crore. Other investments from out of earmarked funds were ₹10,768 crore.

5.2 Debt and Liabilities

Outstanding Public Debt at the end of 31 March 2014 was ₹1,40,042 crore, comprising of internal debt ₹1,27,906 crore and Loans and Advances from Central Government ₹12,136 crore. Other liabilities accounted under Public Account were ₹30,209 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 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. In 2011-12 and 2012-13 Revenue Account has resulted in Revenue Surplus. In 2013-14 Revenue Account has resulted in Revenue Deficit.

On the Fiscal side, the Government committed to reduce the ratio of Fiscal Deficit to 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.

During 2009-10, the Fiscal Deficit had increased by 0.6 per cent compared to 2008-09. During 2010-11, there was no change in the ratio, the actual increase 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 had further reduced by 0.5 per cent to 2.2 per cent. In 2013-14 Fiscal Deficit has increased by 0.2 per cent from 2.2 per cent to 2.4 per cent of GSDP.

Liabilities of the State Government increased by ₹65,518 crore from ₹1,04,733 crore in 2009-10 to ₹1,70,251 crore during 2013-14. Public Debt comprising Internal Debt of the State Government and Loans and Advances from the Central Government increased by ₹60,187 crore from ₹79,855 crore in 2009-10 to ₹1,40,042 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 under:

GSDP : ₹8,54,238 crore

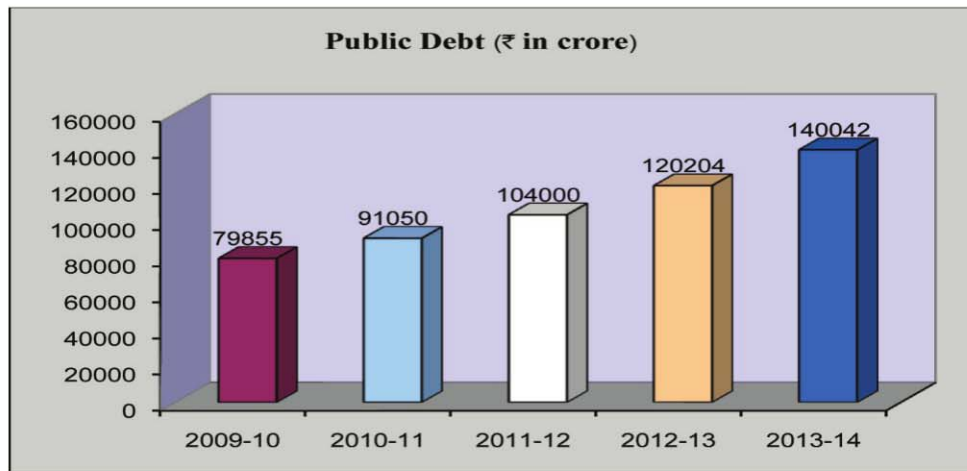
(₹ in crore)

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)
2009-10	71,498	8,357	79,855	253	8,775	15,850	1,04,733	27.6
2010-11	81,657	9,393	91,050	262	10,033	16,301	1,17,646	22.1
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

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

Trend in Cumulative Public Debt (Progressive figures) in the past five years from 2009-10 to 2013-14 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 ₹20,749 crore during 2013-14.

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 decrease of ₹430 crore in respect of such liabilities of State Government during 2013-14 and the balance to the end of the year was ₹17,359 crore, as indicated in the table below:

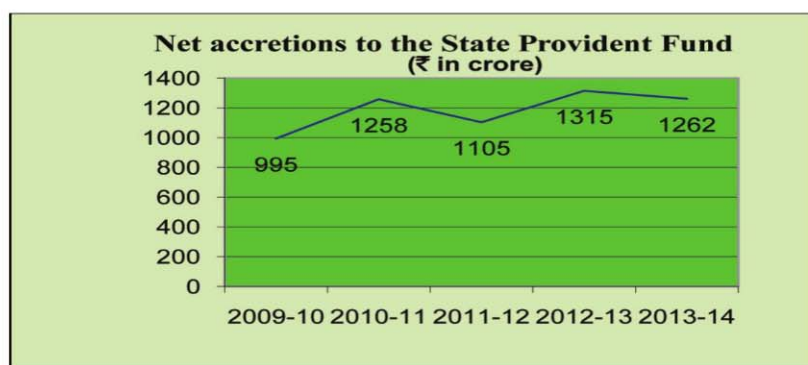
(₹ in crore)

Year	Opening Balance	Receipts	Payments	Closing Balance
2009-2010	6,018	23,630	21,937	7,711
2010-2011	7,711	27,191	24,491	10,411
2011-2012	10,411	30,810	27,970	13,251
2012-2013	13,251	34,976	30,438	17,789
2013-2014	17,789	40,440	40,870	17,359

5.3.1 State Provident Fund

Receipts were more than the payments during the years 2009-10 to 2013-14 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 ₹12,405 crore constituted 11.3 per cent of revenue expenditure of ₹1,09,825 crore. Interest payments on Public Debt were ₹10,270 crore (₹9,769 crore on Internal Debt and ₹501 crore on Loans and Advances from Central Government) and ₹2,135 crore on other Liabilities (Charts 18 and 19). Expenditure on account of Interest Payments increased by ₹2,200 crore during 2013-14.

Chart 18

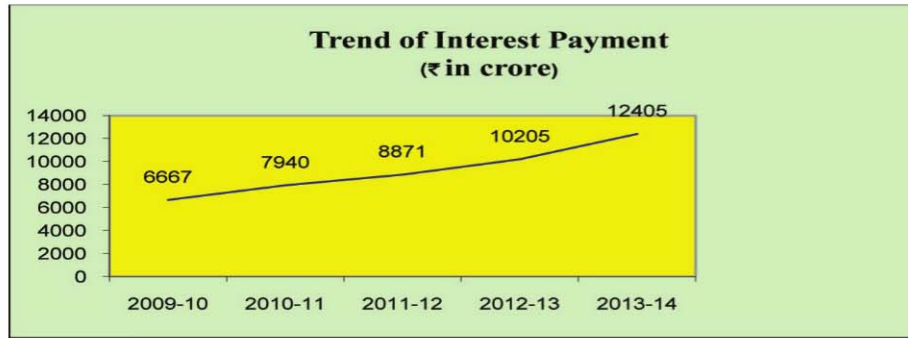
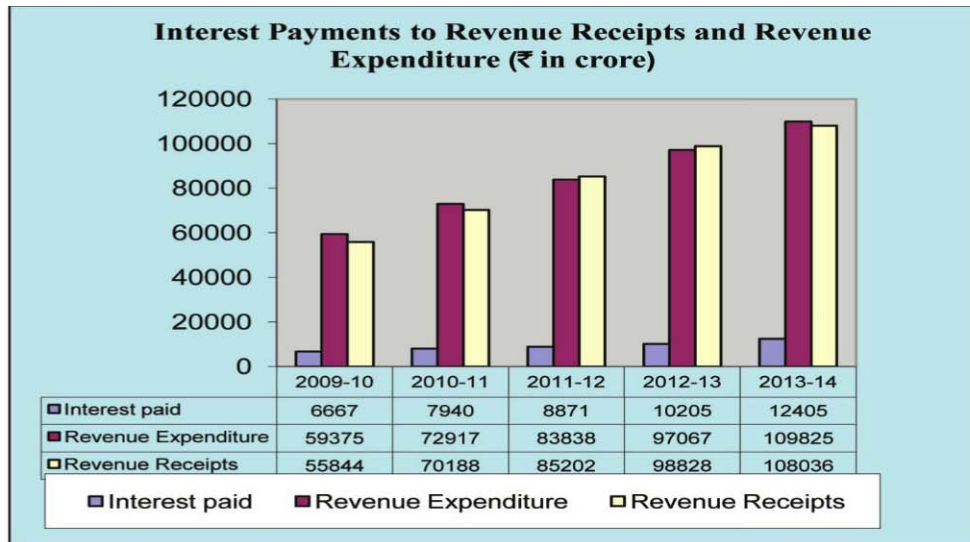


Chart 19



5.5 Utilisation of Borrowed Funds

The new debt contracted during the year 2013-14 was ₹24,815 crore constituting 18.6 per cent of the total receipts of ₹1,33,470 crore (Revenue Receipts: ₹1,08,036 crore and Capital Receipts: ₹25,434 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:

(₹ in crore)

Year	New Debt Contracted	New Debt to Total Debt at the end of the year (in per cent)	Repayment of old debt to Total Debt (in per cent)
2011-12	16,780	16.1	3.6
2012-13	21,220	17.6	4.2
2013-14	24,815	17.7	3.4

The interest paid for repayment of debt during the year was ₹10,270 crore while it was ₹2,135 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 2009-10 to 2013-14.

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

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
i) Number of days on which minimum balance was maintained					
a) Without obtaining any advance	365	365	366	365	365
b) By obtaining Normal Ways and Means Advances	--	--	--	--	..
C) By obtaining Special Ways and Means Advances	--	--	--	--	..
Total	365	365	366	365	365
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
2009-2010	12,830	6,121
2010-2011	810	15,954
2011-2012	7,127	9,751
2012-2013	..	24,070
2013-2014	..	49,499

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 2014 was ₹17,255 crore. Recovery of principal amount aggregating to ₹16,635 crore was outstanding at the end of 31 March 2014.

Total Loans and Advances to Government Corporations / Companies, Non-Government Institutions, Local Bodies, Co-operatives, etc., at the end of 31 March 2014 was ₹12,206 crore. The recovery of principal amounting to ₹11,984 crore was in arrears at the end of March 2014.

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 Principal Accountant General (Accounts and 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 Principal Accountant General (Accounts & Entitlements). For the year 2013-14, 88.4 per cent reconciliation has been completed for expenditure and 82.2 per cent for receipts.

6.3 General Cash Balances

The closing cash balance according to the Reserve Bank of India was ₹297.91 crore (Net debit) against the general cash balance of ₹279.27 crore (Net credit) reflected in State Government accounts. Following subsequent reconciliation, the net difference for the year stood at ₹18.64 crore (net debit).

Cash in Treasuries and Remittances in Transit amounted to ₹17 crore. Investments held in the Cash Balance Investment Account as on 31 March 2014 were ₹14,048 crore. Other cash balances and investments comprising cash with departmental officers (₹2 crore), Permanent Advances with departmental officers (₹8 crore) and Investment of earmarked funds (₹10,768 crore) as on 31 March 2014 amounted to ₹10,778 crore.

The closing Cash Balance of the State Government decreased from ₹168 crore of the previous year to ₹(-)262 crore as on 31 March 2014.



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